

## NEWS SUMMARY

### GENERAL

## Saudis —U.S. planes boost

The U.S. is to fly 12 of its F15 strike aircraft to Saudi Arabia later this month, in an affirmation that its support for Saudi security is unshaken by recent events in Iran.

The State Department described the visit as a demonstration of the continuing and close relationship between Saudi Arabia and the U.S. and of our interest in the security of the kingdom.

The mission is ostensibly to demonstrate the aircraft to the Saudis but U.S. officials were not discouraging speculation that it was precisely timed to bolster confidence and to indicate that the U.S. would not brook Soviet interference in the region. *Back Page*

### Invasion attacked

Romania has broken with the Warsaw Pact's pro-Vietnamese line on Kampuchea (Cambodia). It condemned the Vietnamese invasion and demanded withdrawal of foreign troops from Kampuchean territory. *Page 3*

### Judge's funeral

Judge Miguel Cruz Cuenca, shot dead by guerrillas outside his Madrid home, was buried. The private, pre-dawn funeral was arranged by authorities as a precaution against right-wing demonstrators. *Page 2*

### New Greek party

Former Greek Finance Minister Ioannis Papanastasiou has announced formation of a party to fill the vacuum created by disintegration of the Democratic Centre (EDYK).

### Army snubbed

Rhodesia's transitional government has announced a poor turnout of black conscripts to its army. It says that only 300 of the 1,544 men sent conscription notices had reported for duty.

### Pollution fears

Efforts to avoid major pollution in Bantay Bay were stepped up when it was found that the French tanker *Betelgeuse* still had 37,000 tons of oil aboard. *Page 2*

### Prices protest

Jamaican security forces used tear gas to disperse demonstrators protesting in Kingston against increased petrol prices. *Page 4*

### Peace prospects

Prospects of renewing the Middle East peace talks were discussed in Jerusalem by Menachem Begin, the Israeli premier, and Samuel Lewis, U.S. Ambassador.

### Briefly . . .

Five people were killed in a blast at a Montreal magnesium processing plant.

The Heidelberg Cancer Research Institute of West Germany has found that beer contains nitrosamines—substances known to cause cancer in animals.

Mr. Jaroslav Sabata, a leading Czechoslovak human rights spokesman, goes on trial today charged with insulting a public official.

The Janata Government is to set up special courts to try former Indian premier Mrs. Indira Gandhi.

Radios 1 and 2 will resume separate broadcasting on January 27 and Radio 2 will begin 24-hour broadcasting.

Tintin, the Belgian cartoon character, celebrated his 50th birthday yesterday.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

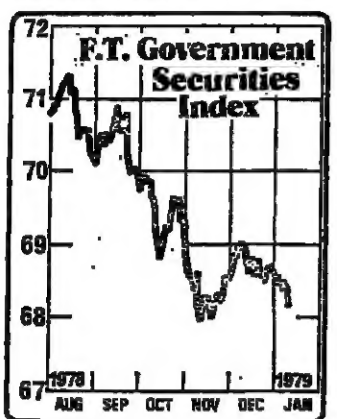
RISES	FALLS
Foster Bros. 176 + 5	Sogomana 210 + 7
Gieves Group 112 + 4	RTZ 238 + 5
Healey 132 + 31	
Home Charm 250 + 4	
Lloyds Bank 295 + 5	Bibby (J.) 287 - 5
McCorquodale 300 + 14	Extel 145 - 5
Morgan Edwards 83 + 3	GEC 326 - 5
Neill and Spencer 125 + 7	Gordon and Gote 75 - 8
Pullman (R. and J.) 101 + 4	Halsbury Estates 258 - 4
Samuelson Film 140 + 4	ICI 362 - 4
Simon Eng. 275 + 9	LWT A 142 - 3
Startrite 137 + 7	Monk (A.) 87 - 3
Utd. Scientific 265 + 9	Sine Darby 104 - 5
Williams and James 124 + 9	Turner and Newall 162 - 6
Anglo-Indonesian 91 + 3	Free State Geduld 113 - 1
Castlefield (Klang) 250 + 10	Silfontein 391 - 10

### BUSINESS

## Equities down 3.6; Gold loses \$2

● EQUITY leaders were held in check for most of the day by the failure of peace talks in the road haulage and train drivers' disputes, but the tone of the market stayed firm. The FT 30-share index closed 3.6 down at 478.6.

● GILTS turned soft towards the close to end with losses ranging to 1, those on short-dated stocks extending to 1/2 and



sometimes more. The Government Securities Index was 0.32 down at 68.17.

● GOLD lost \$2 an ounce in London to close \$229.

● STERLING closed at \$2.0075, a fall of 1.15c. Industrial troubles undermined confidence and the trade-weighted index fell to 63.4 from 63.3.

● DOLLAR lost ground sharply towards the end of trading to finish at its worst level against major currencies with the exception of sterling. The trade-weighted depreciation narrowed to 9.9 per cent from 9.1 per cent.

● WALL STREET near the close was 5.20 down at \$26.33.

● TEXACO has taken back a \$4m order with British Shipbuilders' subsidiary Burntisland, Engineers and Fabricators because it was so far behind schedule it threatened to delay Tartan Field production. *Back Page*

● SHELL intends to put up the price of all its oil products in the UK by an average of 2p-3p a gallon. *Back Page*

● IRAN has devalued its currency, the rial, against the U.S. dollar by more than 8 per cent. *Back Page*

## German steel strike ends

● WEST GERMAN steel workers have voted to end the strike they started on November 28 and will return to work today. They have accepted a compromise agreement reached between employers and their union.

● RENAULT and American Motors Corporation have deferred for at least two years plans to produce a Renault car in the U.S. Renault's turnover grew by 10 per cent last year to FFr 55bn (£6.4bn). *Page 25*

● GOOD product design should be a criterion in the awarding of Government grants to industry. An NEDC report urges. *Page 5: Editorial comment, Page 26*

### COMPANIES

● HERON MOTOR GROUP had pre-tax profits of £1.80m (£1.43m) for the half year to September 30, 1978. *Page 22*

● WESTLAND AIRCRAFT reported a loss of £2.86m in the year to September 30, 1978 compared to a taxable profit of £5.84m having made £16.2m contract provisions against losses on helicopters and hovercraft. *Page 22*

● MCCORQUODALE AND CO., the printing and stationery group, raised pre-tax profits from £2.03m to a record £4.12m for the year to September 30, 1978. *Page 22*

# ICI shutdown in 10 days if lorry dispute continues

BY SUE CAMERON AND NICK GARNETT

Imperial Chemical Industries, which employs 90,000 people in the UK, will shut all its operations within ten days if the private haulage lorry drivers' strike is made official today and extends through next week.

The company estimates that if the strike and resultant picketing is reinforced, 25,000 of its weekly-paid employees will be idle by tomorrow.

Senior officials of the Transport and General Workers' Union meet this morning to decide whether to sanction official strikes in most areas.

The Road Haulage Association, whose member companies are in dispute with their drivers over pay, estimate that more than 100,000 drivers will be on strike by the weekend if the present unofficial stoppages are given union backing.

Such a decision is likely to swell the number of strikers in London, the south and parts of the Midlands where the unofficial stoppages have been poorly supported.

It could also mean that drivers in many of the 30,000 haulage companies not affiliated to the association will decide to strike.

Picketing of docks and industrial sites, which is beginning to cripple large areas of manufacturing, would be tightened. The drivers have submitted a money claim worth 25 per cent and rejected offers of 15 per

cent.

A mass meeting of oil and petrol tanker drivers in Ulster decided last night to remain on unofficial strike despite national decisions by drivers at three of the five major companies to accept 15 per cent pay offers.

Mr. Roy Mason, the Northern Ireland Secretary, is expected to consider today the option of declaring a State of Emergency in Northern Ireland if the situation deteriorates. More than 10,000 people there have been made idle by the tanker and private haulage strikes.

In Britain, shop stewards for 1,100 Texaco drivers and ancillary staff agreed to recommend acceptance of the company's pay offer of about 15 per cent.

Picketing of other oil companies' terminals by the Texaco men, on strike since rejecting the same offer, was lighter.

The men are being recommended to resume normal work. Drivers at Esso, Shell and British Petroleum have accepted 15 to 15 per cent offers. Shop stewards for Mobil drivers meet tomorrow.

The warning about ICI's possible closure came from Mr.

John Harvey-Jones, an ICI deputy chairman. He said a total closure would cost the group some £25m a week in lost sales. ICI estimates that it will already have lost between £50m and £60m-worth of sales by the end of next week if the lorry drivers' dispute continues.

Even if the strike remains unofficially 10,000 of the group's 32,000 blue-collar staff would be without work by the end of this week, Mr. Harvey-Jones said.

One reason ICI has been so hard hit by the strike is that it has great difficulty in storing most of the chemicals it produces.

Products like polyethylene are extremely bulky. The group said yesterday that its storage capacity was already stretched.

Mr. Harvey-Jones spoke of the danger of ICI's "chocking on our own product."

The strike has prevented the group sending chemicals from one plant to another for further processing.

ICI made it clear that it was not yet planning to lay off workers, Mr. Harvey-Jones said: "How long we shall be able to

Continued on Back Page

# Lurgi of Germany wins £268m Chinese deals

BY GUY HAWTHIN IN FRANKFURT

WEST GERMANY has beaten competition from Britain and Japan to land three big contracts to build chemical plants in the People's Republic of China.

The deals, worth an estimated DM 1bn (£268m), were announced here yesterday after being kept secret since the contracts were signed late last month.

The contractor for all three projects is Lurgi, one of the Federal Republic's top engineering and plant construction groups. Late last month it announced that it had secured two other Chinese contracts for a coal-based ammonia synthesis plant and a methanol synthesis plant starting from heavy oil.

Dr. Dietrich Natus, Lurgi's chief executive, estimated yesterday that the two projects announced last month were worth about DM 500m, bringing the group's total Chinese order book to DM 1.5bn (£404m).

Lurgi is also talking to the Chinese about 2 projects that might over several years lead to orders running into the "two-digit billions of Deutsche marks."

To put Lurgi's five firm contracts and its potential orders into perspective, British companies and consortia are reported to be advanced in negotiations with China that might lead to contracts worth £1bn.

The news that a single German group has orders in hand totalling two-fifths of that figure must go far to substantiate claims by German banks and newspapers that the Federal Republic is regarded by the Chinese as one of its most favoured partners in the West.

Dr. Natus emphasised that

the five secure contracts are separate from the 22 projects under negotiation.

The five contracts arose out of talks with the China National Technical Import Corporation, started a year ago. They have been placed with Lurgi Kohle and Mineraloltechnik, the group's coal and oil technology subsidiary.

The 22 projects under discussion concern the non-ferrous metals sector and are being handled by other sections of Lurgi. They involve such areas as exploitation of China's bauxite deposits and other non-ferrous raw materials and might involve work for up to 15 years.

Lurgi believes it is in an excellent position to secure contracts in that area in spite of competition from Britain and Japan, as it has wide experience in the field.

Canadian wheat deal *Page 31*

# U.S. banks quit bond syndicate

BY RICHARD EVANS

TOUGH U.S. legislation barring compliance with the Arab economic boycott of Israel has forced two U.S. banks to pull out of a Swiss-based bond syndicate.

They are believed to be first U.S. banks to have had to withdraw from any public bond issue because of anti-boycott provisions.

They are Dow Banking, Zurich, a subsidiary of Dow Chemical, and Citicorp International Finance, Zurich, a subsidiary of the large New York bank.

Both confirmed yesterday that they had withdrawn from the syndicate organising a SwFr 50m (£14.9m) note issue for Banque Nationale d'Algerie, the Algerian state bank.

This follows the exclusion from the syndicate of a bank with Jewish connections—Rothschild Bank, an associate of the London merchant bank, late last year.

Other members of the 15-strong syndicate include two Arab institutions, Saudi Finance Company and Arab Bank Overseas.

Following discussions with the Algerian borrower, Rothschild Bank was asked to leave the syndicate, which was formed at a time of widespread sensitivity in the Middle East over the Israeli-Egyptian moves for a peace accord.

Dow Banking said that its legal counsel had advised that its continuing membership of the syndicate, after the Roth-

schild exclusion, could be construed as violation of the U.S. anti-boycott legislation. This law contains clauses against discrimination on religious and racial grounds.

Citicorp refused to comment on the exact reasons for its withdrawal.

It had undertaken to place SwFr 1m of the bond, and had half that amount when it became aware of the alleged exclusion of certain banks from the selling group, it said.

In Geneva, Banque Gutzwiller, Kurz, Bungeger, which manages the bond, said that the transaction had now been completed and signed. It had taken over the remaining uncompleted commitments of the two U.S. banks.

Ministers are seeking a revised social contract with the TUC in a bid to prevent wide-spread disruption of the public services. The new contract would involve a long-term commitment to reduce inflation, agreement on relatively machinery for public service manual workers and a formula to minimise public service strikes this winter. *Back Page.* ● Detailed reports on the growing industrial chaos and what a state of emergency would mean *Page 7* ● The overtime rates problem in the lorry drivers' strike *Page 20.* ● Economic Viewpoint on Mr. Callaghan's sea of troubles *Page 21.* ● Year of near-record growth in living standards *Back Page.*

# Callaghan 'will not be rushed' Train strike 'suicidal'

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN made it clear yesterday that the Government would not be rushed into immediate action as a result of the industrial disruption caused by the lorry drivers' strike.

The Cabinet, faced with vociferous demands for action, will review the Government's preparations for a possible state of emergency when it discusses the industrial situation today.

The Prime Minister, who returned to London from his Caribbean summit yesterday, admitted at Heathrow airport that the Government had been on the brink of a state of emergency once or twice in the last week.

But he coolly rejected suggestions that industrial chaos was mounting. That was "a rather parochial view," he declared. More industrial self-discipline was required but there was no need to run down the country.

Presented with an urgent demand from Mrs. Margaret Thatcher, the Tory leader, for a full debate in the Commons next week, Mr. Callaghan last

night curtly informed her that she could use the day already allotted to the Opposition.

If necessary, a Government statement on the industrial situation would be made when then Commons reassembled on Monday, he added.

Mr. Callaghan, reported to be intensely irritated by criticisms of his absence, said yesterday: "We've had strikes before. We've come close to the brink before."

He said he had been in close touch with the situation and added brusquely: "There is no point in declaring a state of emergency."

But the Prime Minister called Mr. Michael Foot, Leader of the Commons, Mr. Denis Healey, Chancellor, and Mr. Merlyn Rees, Home Secretary, to Downing Street for talks shortly after his arrival.

Mr. Foot and Mr. Albert Booth, Employment Secretary, last night met Mr. Mark Jones, leader of the transport workers' and the Cabinet's economic Ministers will today meet the TUC economic committee to pursue attempts to avert the

Continued on Back Page

By Philip Bassett, Labour Staff

THE GOVERNMENT yesterday told the train drivers' union, ASLEF, that the threatened national rail strike next week would be "suicidal" for the railways and the country.

The warning was in a telephone call from Mr. William Rodgers, Secretary for Transport, to Mr. Ray Buckton, general secretary of the 36,000-strong union, after negotiations between the union and the British Railways Board were adjourned until today.

Mr. Rodgers had invited Mr. Buckton to meet him but the meeting was later called off while the union's executive met to discuss the Board's offer on its productivity claim and the union's plans for strike action. The meeting was still going on late yesterday.

Mr. Rodgers, in a telephone call to Mr. Buckton during the executive's meeting, told him that the Government hoped that there would be no official extension of the unofficial action over the claim, which halted most Southern Region services yesterday, and that the threatened strike would be called off.

Mr. Cliff Rose, British Rail board member for industrial relations, said that yesterday's negotiations were "useful and workmanlike." All parties were working toward averting the strike, but there was still some way to go.

The board has made an offer of 6 to 7 per cent on basic pay, worth about £4, in response to the union's claim for 10 per cent, about £6.

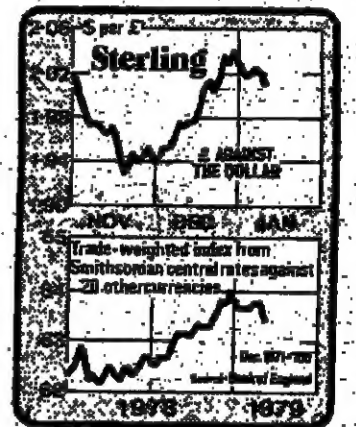
The offer is conditional on the union's agreeing to making reductions and changes in work patterns which the union says are unacceptable.

A change in the union's stance would depend on some conditions being relaxed.

The Southern Region drivers' unofficial action affected an estimated 300,000 commuters. There were virtually no suburban services in the region, though some main line services ran between London and the South Coast.

### £ in New York

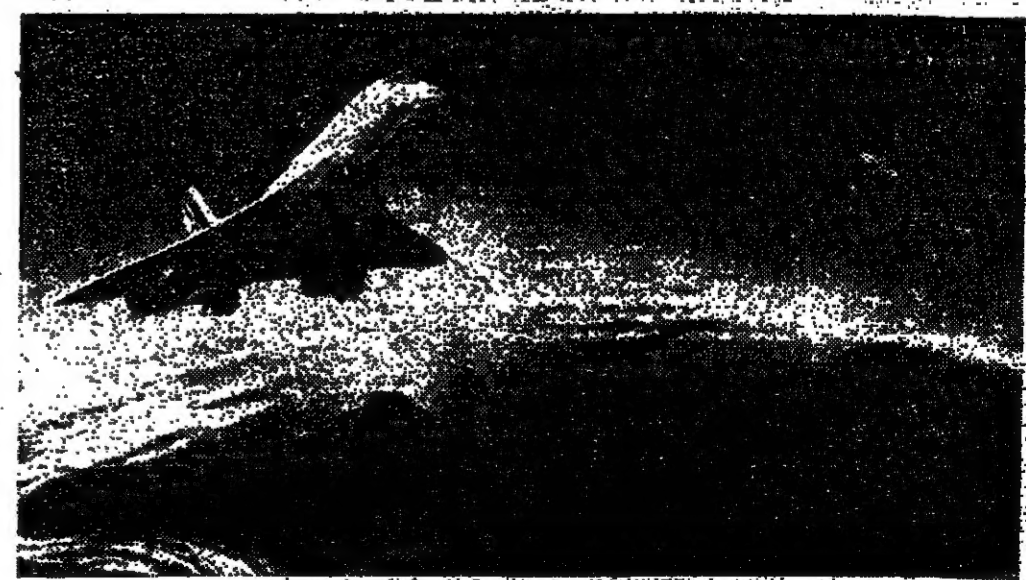
	Jan. 9	Previous
Spot	\$2.0085-0095	\$2.0080-0090
1 month	0.25-0.30 cts	0.26-0.19 cts
3 months	0.60-0.64 cts	0.70-0.2 cts
12 months	2.55-2.58 cts	2.50-2.50 cts



A slight fall in sterling is unlikely to worry the authorities much, since the exchange rate had recently been at the upper end of the range within which the Government wants to stabilise it.

The other feature late yesterday was a sharp fall in the dollar after an earlier short rally.

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## EUROPEAN NEWS

## France refuses to take part in SALT 3 talks

BY ROBERT MAUTHNER IN PARIS

PRESIDENT Giscard d'Estaing yesterday confirmed that France had no intention in taking part in the proposed next round of nuclear arms limitation talks, already known as SALT 3, because they would undermine the independence of the French nuclear force.

The President, who was reporting to a Cabinet meeting on the results of his Guadeloupe summit, thus made it clear that the U.S., Britain, France and West Germany are still a long way from a common position on SALT 3 and that no consensus on the subject was reached in Guadeloupe.

Unlike the first two rounds of the strategic arms limitation talks, which involved only the long-range nuclear weapons of the U.S. and the Soviet Union, the next phase of the negotiations is expected to cover nuclear weapons stationed or aimed at targets in Europe.

The Soviet Union has made it clear that it would like Britain and France, the only two European nuclear powers, to participate in SALT 3 and President Jimmy Carter took the opportunity of the Guadeloupe summit to ask President Giscard for their reactions to this proposal.

The British position on SALT 3, though not as negative as that of the French, is very cautious. The British Government, it was understood in Guadeloupe, is not opposed in principle to negotiating limitations on its nuclear arms with the Soviet Union, but only on the firm condition that Moscow is prepared to offer in return substantial reductions of its own medium-range and tactical nuclear missiles. The new SS-20

Soviet missile is considered by Britain and other Western European nations to pose a serious threat to their security.

While President Giscard, largely for domestic political reasons, has taken a negative stand on SALT 3, he emphasised at the Cabinet meeting yesterday that France, in common with Britain and West Germany, fully supported the early conclusion and ratification by the U.S. Senate of the SALT 2 agreement between the U.S. and the Soviet Union.

President Giscard also spoke at the meeting of the positive response by "certain states" to his proposal for a Europe-wide disarmament conference covering conventional weapons. The presidential spokesman, M. Pierre Hunt, particularly referred to the support which Herr Helmut Schmidt, the West German Chancellor, had given to this proposal in Guadeloupe.

It can hardly be said, however, that the French proposal has been greeted with enthusiasm. Both Herr Schmidt and Mr. Callaghan stressed in Guadeloupe that they did not want the new conference to replace the current mutual and balanced force reductions (MBFR) talks in Vienna and Britain continues to have strong reservations about the French project.

The Soviet Foreign Minister, Mr. Andrei Gromyko, agreed to study the French proposal during his visit to Paris last November and it will certainly be discussed again in March when the French President is due to pay an official visit to the Soviet Union.

Editorial Comment Page 20

## Higher investment likely

BY DAVID WHITE IN PARIS

FRENCH PRIVATE industry is expected to shrug off some of its reluctance to invest this year but still has worries about its level of operating profits.

These are among the conclusions contained in a cautiously optimistic report published by the Patronat, the national employers' confederation. The report confirms the trend of recent soundings in industry, opening the prospect of gradual recovery but warning that the improvement is fragile.

The closing months of 1978 produced signs of an upturn in industrial output—led by growing private consumption—and made certain of France's new-found trade surplus.

But the Patronat warns that the trade balance will be more difficult to maintain this year, since last year's performance could be partly attributed to a low level of industrial activity and reduced import needs.

On the other hand, export prospects are encouraging. Foreign orders have picked up, a sign, the Patronat says, of renewed growth in West Germany.

many, France's main trading partner. The improvement has been marked in consumer goods and basic commodities.

The rise in industrial prices is expected to continue at a moderate level despite the lifting last year of price controls. The change in Government policy has enabled companies to adapt their price structures in line with market forces.

The Patronat warns, however, that industry's performance on all fronts depends on keeping down cost increases and, particularly, the burden of social charges which companies bear.

This latest snipe in a lengthy skirmish with the Government about social costs has coincided with a firm statement on the issue by M. Raymond Barre, the Prime Minister, who said that industry's complaints had been exaggerated.

M. Barre said recent changes in company tax and social security payments meant an extra burden of FFfr 7bn (\$820m) a year on industry, less than half the figure that had been reported.

Special equipment has been flown from Sweden to fight pollution and a boom has been set up to contain the slick. Gulf is confident that although salvage will take some months, the flow of oil could be shut off, providing the weather did not deteriorate.

## Portugal ready to settle farm claims

By Jimmy Burns in Lisbon

AFTER MONTHS of hesitation, the Portuguese Government appears ready to settle the outstanding claims of farmers whose property was illegally expropriated during the militant left-wing land-grabs of 1976.

The official gazette has published a decree law which establishes the basis of compensation for land, livestock, machinery and crops. Compensation will be paid according to the value of the property at the time of expropriation. It is not stated whether any adjustments will be made to cover inflation over the past three years.

Indemnity legislation was introduced last summer to calculate the provisional values of shares of industrial companies which had been nationalised or illegally occupied. No reference was made then to the agricultural sector, which, until now, has been treated as a separate case.

The full effect of the new legislation is difficult to gauge. The issue of farmers' compensation has become less pressing in recent months after the return to private hands of large areas of the 2.5m acres seized by peasants at the height of the Communist-inspired push for power.

The decree law is expected to be welcomed by foreign farmers who have been pressing the Portuguese authorities to settle their claims as soon as possible. A small group of Italian, Austrian and British farmers lost more than 20,000 acres.

Meanwhile the Commission for European integration which has been negotiating Portugal's membership of the European Community is to be reconstituted before Portugal resumes negotiations next month.

The president of the commission, Dr. Vitor Constancio, resigned last week for personal and political reasons. He did not explain publicly what the reasons were.

There have been reports of divisions within the part-time commission and Dr. Constancio has admitted that the nine-man team has fulfilled its primary function of providing background data before negotiations could begin.

It seems likely that a full-time commission will be set up to continue the negotiations and that it will be back by a consultative body of experts drawn from industry, agriculture and the unions.

Dutch barge strike ends

By Charles Batchelor in Amsterdam

DUTCH BARGEMEN yesterday called off their strike which has sharply reduced barge traffic on Holland's waterways and led to sympathy action in Belgium and France.

After agreement was reached between the militant independent Boatmen's Union (OVB) and the more moderate Federation of Shipowners (FSV) on a joint policy, talks with the Ministry of Transport led to the dispute being called off.

Mrs. Neeltje Smit-Kroes, the State Secretary at the Ministry of Transport, agreed to require companies to register their cargoes bound for Belgium and France on a shipping exchange. Cargoes for destinations in Holland already must be registered at one of the 15 exchanges.

The bargemen have had to accept that shippers will have an equal number of seats on the commission which will be set up to supervise the allocation of cargoes. Originally they wanted this commission to consist solely of bargemen.

Several newspapers yesterday criticised the Government's apparent failure to protect senior state officials. Sr. Cuena had apparently refused protection, despite death threats, and had a regular routine of being picked up for work outside his Madrid home, where he was shot.

Responsibility for Sr. Cuena's assassination has been claimed by GRAPO (the extreme leftist resistance group) in calls to a Madrid

and a Galician newspaper. GRAPO has claimed responsibility for several acts of terrorism, including the murder last year of the chief of state police. However, GRAPO's composition and origin are mysterious, leading many to believe that it is just an instrument for creating tension at particularly difficult moments.

Last July, when two senior Army officers were killed in Madrid, the police claimed it was the work of GRAPO, but the Basque separatist organisation ETA later took responsibility. Then, last month, the security forces went on record saying that GRAPO had been effectively dismantled.

Thus the claim that Sr. Cuena's killing was the work of GRAPO and not ETA, as at first believed, has caused considerable confusion. This has been compounded by police reports on the weapons used by the three gunmen.

At first, police said spent cartridges of the type normally used by ETA were found near the scene. Subsequently, this was changed, and police now

maintain the cartridges are similar to those of guns belonging to municipal policemen. It has also been pointed out that Sr. Cuena's name was on a "hit" list found several months ago in the possession of an alleged GRAPO member.

David Gardner writes from Barcelona: Catalonia's military authorities have passed the pending court martial cases of two Catalan actors to the civil courts, in a test case of the new Spanish constitution. The constitution, approved by referendum last December 6, rules that military justice is applicable only to the armed forces, thus breaking with the Francoist practice of court-martialing civilian dissidents.

The actors belong to the Catalan "Juglars" theatre group, four of whose members were sentenced last March in two years in jail for insulting the armed forces. The Juglars' director, Sr. Albert Boadella, and another actor, Sr. Ferran Riera, escaped to France before the court martial took place. The cases against them are the ones now under consideration.

A wider application of the general ban on property acquisitions by foreigners in certain resorts is recommended while the number of exceptions to this ban allowed to citizens with important tourist interests would be cut to a fraction of the total volume granted over the past three years.

While 1978 figures are not yet known in detail, the federal authorities recently announced that in the period 1961-77 real estate worth some SwFr 8.43bn had been sold to foreigners in Switzerland.

## Commission acts against VAT laggards

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS

THE EUROPEAN Commission has decided to open formal proceedings against Germany, Ireland, Italy and Luxembourg for failing to ratify legislation which requires EEC Governments to contribute a portion of their national value added taxes to finance the Community budget.

A letter has been sent to each of the four Governments by Mr. Richard Burke, the Commissioner responsible for fiscal policy, warning that they are in breach of EEC law. There is a strong possibility that the case will be taken to the European Court of Justice, which could

be expected to find against the Governments concerned.

The EEC Council of Ministers decided in May 1977 that member states would pay up to 1 per cent of total VAT assessments towards the EEC budget. These were intended to replace the direct contributions made until now by national treasuries and to provide the community with financial "own resources".

The system was originally due to go into effect at the start of last year but was postponed for 12 months when it became clear that only Britain and Belgium would be ready to participate.

The legislation had to be ratified by at least three countries before it could go into operation.

Germany told the Commission last autumn that it would be unable to participate even by the start of this year. Despite efforts to meet the deadline the three other Governments have also failed so far, largely for procedural reasons, to win Parliamentary approval.

These delays will not jeopardise the amount of money available to the EEC this year but will mean that special arrangements will have to be made. Governments which

have ratified the legislation will contribute on the basis of VAT assessments, but payments by the others will be calculated on a formula linked to gross domestic product.

As a consequence Germany, the biggest budget contributor, will pay slightly less than it would do under the VAT system, while Italy stands to pay substantially more—as much as \$100m, according to some estimates. Italy is urgently seeking a compromise with the Commission to try to avoid this increase.

Britain's share of the budget is limited by special provisions in its accession treaty. But because of the new situation it could save several million pounds on its net contribution, estimated by the Treasury at about £765m this year.

Both the Irish and Italian Governments are confident that the VAT legislation can be ratified within the next few weeks. But the outlook is less certain in Germany, where it has faced resistance in some of the Laender (state) parliaments dominated by the Christian Democrat opposition.

form giving details of their employment and length of residence.

The deaths of an estimated 20m Soviet citizens in the last war, plus the housing shortage, female employment and urbanisation, have led to a sharp drop in live births from 31.2 per 1,000 in 1940 to 17.4 at the time of the last census in 1970. But the average is boosted by triple the average birth rate in parts of Moslem Central Asia and larger families in rural areas generally. According to the latest Soviet estimates, live births rose to 18.1 per 1,000 in 1977 and the total population is around 262m people.

Soviet demographers estimate

that the Soviet population is rising by 2.2m-2.4m annually and more than 50 per cent of the population is now under 30. Urbanisation has proceeded apace, so that the Soviet Union now has over 17 cities with a population exceeding 1m and contains more towns with a population exceeding 100,000 than any other country.

Within the Russian federation, the largest and predominantly Slav republic, retirements (at 60 for men and 55 for women) are expected to exceed new entrants into a labour force which is expected to decline from nearly 84m in 1980 to 82.5m by 1990. This is a major factor behind the drive

for higher productivity, although productivity has been consistently behind planned targets over the first three years of the five-year plan.

Slower population growth in the urbanised, industrial areas is likely to become a major constraint on already declining economic growth performance and strengthen pressures for more radical reforms of the highly centralised, planned economy. It is also expected to lead to greater pressure for a more genuinely federal structure with greater autonomy for the component republics and calls for more equitable distribution of top jobs in the Government, the military and the economy.

Swiss decide against money supply target

By John Wicks in Zurich

THE Swiss National Bank, in agreement with the Government, has decided to refrain from setting a target for money supply growth for 1979. The authorities, it is stated in a communique issued by the National Bank in Zurich, will continue the foreign exchange policy in force since last October.

This policy, which foresees such interventions as are necessary to keep the DM rate well above 80 centimes, led to a gross SwFr 11.55bn (\$3,560m) worth of foreign currency being taken up by the National Bank between the start of October and Christmas. For 1978 as a whole, the net growth in foreign-currency holdings was SwFr 9.5bn.

Last year was the first time that the Bank's money-supply target had been substantially exceeded. The communique puts growth at an average 17 per cent, compared with an original target of 5 per cent.

This is attributed both to the change in official policy and to the increase in demand for Swiss francs at a time of flexible exchange rates.

The new exchange-rate policy, necessary in the light of the sharp rise in the Swiss franc rate, does not mean giving up a money-supply policy aimed at price stability, the National Bank stresses. In the medium term, a rate of money-supply growth is envisaged which will permit inflation-free and economically balanced development.

In the immediate future, however, priority is to be accorded to the exchange-rate problem. The Bank also claims that the danger of inflation as a result of increased creation of money is not acute at present or as long as there are no signs of an economic upswing.

Foreign property purchases in Swiss resorts are to be reduced substantially in new Government regulations. This follows the record reached last year in cantonal approvals for the sale of land or premises to foreigners, one half of the total being accounted for by holiday apartments in resorts.

A wider application of the general ban on property acquisitions by foreigners in certain resorts is recommended while the number of exceptions to this ban allowed to citizens with important tourist interests would be cut to a fraction of the total volume granted over the past three years.

While 1978 figures are not yet known in detail, the federal authorities recently announced that in the period 1961-77 real estate worth some SwFr 8.43bn had been sold to foreigners in Switzerland.

Certainly, in the bulk chemicals sector there will still be major problems caused by world over-capacity in a number of vital sectors. Fibres can hardly expect to see any major improvement of demand, although the German chemicals concerns' losses in this area have been substantially trimmed by the closing down of the older, less efficient plants.

The fertiliser sector is also likely to remain weak as there is still considerable over-capacity in this area. However, above-average growth is expected in sectors producing consumer goods and consumer-related products, such as pharmaceuticals, despite attempts by the Federal Government to cut health costs.

All in all, the industry is fairly confident of at least a mild improvement in volume output in 1979, but its overall profitability hangs on the question of the strength of the dollar. All of the industry's chief executives are agreed the dollar is seriously under-valued—but then they felt that way two years ago. Neither President Carter nor Chancellor Helmut Schmidt has more than well-wishers in their bids to bring stability to the currency markets.

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Hoechst's world-wide sales went up by 3.5 per cent during the period under review to DM 18.04bn, while pre-tax profits on a world level were up 0.3 per cent to DM 330.

While the dividend seems to be secure, Hoechst, because of its profitable product range, would also seem likely to be a leading beneficiary of the improved chemicals outlook.

World-wide pre-tax profits were 3.9 per cent down in comparison with the same period of 1977, but this was a substantial improvement on the position at the half year

together with Hoechst and BASF one of the industry's "Big Three"—said recently, the decline of the dollar from about DM2.40 to its current level wiped out much of the advantage gained by investment in rationalisation. All one can say is that the industry would have been much worse off without it.

Capital investment by the industry has been running at about DM 5.5bn annually for a number of years and 1979's totals are expected to remain at about this figure. However, during 1979 the industry is

hoping for a general improvement of demand rather than just for the fruits of capital investment to produce the upturn.

The rather patchy—and late—improvement in 1978 benefitted only certain branches of the industry and the vitally important bulk products were by no means the main beneficiaries. The industry's association appears to believe that an upturn in 1979 will affect some branches more than others, but, at the same time it is hopeful that recovery will be noted in

the nine months to just under DM 4.01bn. This, however, was insufficient to make up for the 4.6 per cent decline in the year which brought domestic sales down to DM 3.15bn and left overall sales a marginal 1.2 per cent lower at DM 7.19bn.

The group's worldwide pre-tax profits for the period totalling DM 760m, well below the DM 863m noted up during the comparable period of 1977. With demand picking up slightly, the group is hoping that it will not have to trim this year's dividend.

Bayer's world-wide sales, on the other hand, were up 6.5 per cent to DM 17.26bn during the first nine months. The group, which is most heavily invested overseas of the "big three", also noted the strongest third quarter improvement, with sales up 7.3 per cent on the figures for the comparable period of 1977.

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## Vietnam's spearhead fighting close to Thailand border

BY RICHARD NATIONS IN BANGKOK

FIGHTING BROKE out yesterday in Siam Reap, 180 miles west of the Cambodian capital, Phnom Penh, as Vietnamese columns pursued Khmer Rouge forces towards the Thai border. According to officials here the town was bombed on Tuesday by 150 fighter planes and 100 bombers. Units of helicopter-borne troops are now thought to be engaged in the fighting. The Vietnamese are thought to be the spearhead of a mobilised division supported by air power which, for three days, has been moving steadily west up Highway 5, one of Cambodia's main roads running from Phnom Penh to the Thai frontier. An equal force is moving up the parallel Highway 5 to the south. The two divisions appear intent on dislodging the remnants of the Khmer Rouge army and on securing all remaining principal roads and provincial capitals. Siam Reap, a provincial capital near the 12th-century Angkor Wat temples, is only 18 miles from the Thai border. The Vietnamese advance to the frontier may be slowed by refuelling problems as well as Cambodian resistance, however. There are unconfirmed reports of sporadic fighting in Battambang, 80 miles from the Thai border on Highway 5, where about 18,000 soldiers loyal to Pol Pot are believed to have regrouped. Paul Lendvai reports from Phnom Penh yesterday that the division of Cambodia and demanded the withdrawal of foreign troops from Cambodian territory. "No arguments can justify intervention and interference in the affairs of another state," an official statement said.

## A setback for Peking

BY CORINA MACDONALD

THE COLLAPSE of the Pol Pot Government, however, emboldened Peking by its brutality, is a disaster for Chinese foreign policy in an area crucial for two reasons—Cambodia's proximity to China and its potential value for an outside power. It remains to be seen what skill Peking can exert to salvage some advantage, but on the face of it, the outlook is bleak. A pro-Vietnamese leadership has been installed which will extend Hanoi's sphere of influence, and at least in Peking's eyes, that of the Soviet Union. This will confirm Peking's worst fears about the growth of Moscow's power at the end of a year which has seen increasing agitation in the Chinese capital at the expansion of Soviet influence in Africa and Asia, not least at the headlong slide by Hanoi into closer relations with Moscow. In planning what to do next, the Chinese have few options. They may wish as has been reported, to back a more broadly based Communist movement to oppose the Hanoi-fostered regime in Phnom Penh, but they can hardly do so without Bangkok's acquiescence since

## DISINTEGRATION OF THE SHAH'S IRAN

# The White Revolution devours itself

BY ANDREW WHITLEY IN TEHRAN



Dr. Shapour Bakhtiar

AS IRAN prepares itself for the now inevitable post-Shah era, all the signs are that both the political and social scenes are disintegrating rapidly. The longer this process takes the more severe the dislocation that follows. Diplomats are talking of a total collapse in Tehran if petrol—the elixir of life in a capital with over one million vehicles and as heavy a dependence on the Shah's "noble fuel" as any in the West—does not arrive in large quantities within the next 72 hours. Politically, control over events is clearly out of the hands of any of the groups that used to matter—the court, the government, the army, the political parties (such as they are) and the powerful revived Moslem clergy. Into a near vacuum have stepped the street gangs, locally organised and of uncertain loyalty, apart from the beacon of Ayatollah Khomeini's unwavering determination to force down the monarchy.

In social terms the decline is all too visible. On Monday the crowds took the law into their own hands in a small town just south of the capital, and hanged two Afghan workers for alleged robbery.

In Tehran itself butcher shops have moved onto the pavement of fashionable districts. A sheep has its throat roughly hacked on the snow covered concrete the blood drained into the deep gutters that run through out the city. Customers who, last month would have shopped at the lavishly equipped and stocked supermarkets that sprang up in the golden days, now break off from their fight for petrol and heating oil to take a hunk from the carcasses—also hanging from the lamp posts.

The traffic police appear to be on strike and many traffic lights have stopped working. Iranian drivers, never great law abiders, at the best of times, openly and dangerously flout all regulations.

Tabriz, a major industrial city, was in the hands of marauding rioters who caused extensive destruction for much of Monday. In many parts of the country, the homes and headquarters of the long feared secret police, Savak, are being sought out, attacked and burnt.

It seems reminiscent of the CIA after Watergate and Portugal's Dina after Salazar. Savak men have been flushed into the open. "Savak the revolution" Kayhan International has declared reporting an open circular from some secret policemen as an apology for past tortures.

In the past two weeks the last light of the prospective "Great Civilisation" has faded and a new Iran much closer to that of its Moslem neighbours, has

begun to be created from the streets upwards.

With the banking system paralysed for the past three weeks so-called Moslem banks operating without interest payments, are springing up. In Iran in the west, the first "Islamic court" in the country's modern history has been formed, and passed its first sentences, based on the shari'a Koranic law. A burglar was publicly flogged.

On the political scene groups and individuals are visibly jostling for position when the Shah goes. The identifiable groups fall into clear categories. The party most often named is the somewhat conservative National Front headed by Dr. Karim Sanjabi, from whose ranks Dr. Shapour Bakhtiar was expelled after accepting the position of Prime Minister.

And if the National Front are essentially men of straw riding on the back of a largely religious inspired movement the other parties are a motley collection with no real following either. The only exception could be the right-wing Pan Iranian Party.

Ayatollah Khomeini is recognised as the opposition movement's unquestioned leader, but this does not mean that everyone is in agreement with him. A discreet but for the future, potentially divisive rivalry exists between him and the senior religious leader



Dr. Shapour Bakhtiar

within Iran, Ayatollah Shariat-Madhari. If a poll were to be taken of the allegiance of the religious leaders in each Iranian city, the majority would probably favour the moderate and pragmatic Shariat-Madhari. Sitting in Qom, Iran's holy city, he has still to declare his hand on the government of Dr. Bakhtiar. Like everyone else he is no doubt waiting to see how and when the Shah leaves the country.

But the point about the opposition to the Shah is that much of it is largely amorphous, united by the gut desire to have the Shah out. Activism is stronger in the cities than in the countryside and this may be the case by radicals and left wing returnees has completely over-

shadowed the previously best known form of opposition to the Shah through intellectual dissent and the guerrillas.

As the Shah's hours seem to tick away, the lack of real control over the future by anyone—apart from the military hard-liners through a royalist coup—has been dramatically illustrated by the fate of a crucial mission to the silent oilfields. Led by Mr. Mehdi Bazargan, himself an old nationalist leader, and backed by Khomeini, Shariat-Madhari and the National Front, the mission has had no visible success so far in persuading the militant oil workers to produce even enough for domestic needs.

On Monday the National Front leader, Dr. Sanjabi, gave a remarkably uninspired press conference which cannot have given heart to his followers. Bitter accusations of disloyalty, illegitimacy, incompetence and opportunism are being exchanged publicly by Dr. Sanjabi and his former colleague, the new Prime Minister.

At the same time, the present government, such as it is, is showing many signs of being on the point of collapse. Dr. Bakhtiar has had to postpone his government's necessary parliamentary vote of confidence for the second time until early next week. On Tuesday he lost the services of General Forouzan Jam as War Minister.

In practice this means his cabinet is floundering weakly without for the moment the vital link which is the sole guarantor of his boast that he, not the Shah, now governs Iran.

Meanwhile time is being frittered away with what may become irrelevant discussions about the formation of a Regency Council, whether under article 58 of the constitution (the one Khomeini wants) or 43 (which makes a caretaker for the monarchy), or a sublimation of the two to please everybody.

The people in the street care little for these details and just want the Shah away. To them it is a constitutional farce. To the Shah and many middle class Iranians the looming abyss of chaos and darkness can only be bridged by some form of institution power transfer.

The Shah will not apparently leave until a stable government is formed, but what little chance there is of a stable government being established will occur once he has gone, even then Dr. Bakhtiar will be vulnerable to a coup from hardline generals. Both the political and social scenes look as dark and depressing as Tehran does under its first fall of winter snow.

## Zaire's vicious circle of debt

BY MICHAEL HOLMAN IN KINSHASA

THE CRIPPLING extent of Zaire's external debt obligations this year and into the eighties mainly due to heavy borrowing at hard commercial rates during the seventies may elicit western creditors to accept a debt rescheduling timetable considerably longer than the nine-year period granted under 1977 Paris club terms, say officials here.

The unsatisfactory alternative, they believe, is a series of year-to-year crises producing short-term ad hoc responses. An 11-member group of western creditor nations is due to meet in Brussels in March to discuss aid and debt rescheduling, but the meeting is thought to be dependent on a successful outcome to Zaire's negotiations with the International Monetary Fund (IMF) over a stabilisation programme.

Zaire's external debt is put at \$3.5bn at the end of 1977 of which \$2.6bn was disbursed and outstanding, with arrears totalling \$378m. Western economists believe that arrears have now reached \$600-\$800m but what gives particular concern is the fact that more than half the debt outstanding is projected to fall due before 1983.

Between 1973 and 1975 Zaire contracted \$2.6bn in external loans to finance various manufacturing, transport and power projects. A considerable proportion of the loans of this period were in the form of non-concessional private lending, including large eurocurrency loans from syndicated bank groups totalling \$600m.

The size and terms of these borrowings are an important factor in Zaire's plight today. An authoritative comparison between Zaire's terms and those of 30 other countries which had

a GNP per capita of under \$250 in 1976, is revealing. Zaire's terms (the other countries in brackets) are notably harsher: interest rate 6.9 per cent (2.8 per cent), maturity 14.9 years (30.7 years), grace period 4.4 years (7.8) and grant element 20.6 per cent (57.3).

Debt service for last year, according to end of 1977 figures, was projected at \$475m—the highest ever (1977—\$375m) and does not take into account arrears accumulated at the end of 1977. Of this \$374m was private, including \$242m to banks.

Prospects for the period to 1982 are alarming. Informed sources say that disbursement on existing commitments will fall from \$2.4bn over the period 1973-1977 to \$870m for the period 1978-82. Debt servicing projected on existing commitments 1978-1983 run at

\$471m, \$482m, \$421m and \$392m in successive years, of which nearly three-quarters is due to private banks.

The sources calculated that if new disbursements are not forthcoming, and if no additional arrears are accumulated, a total net amount approaching \$1.5bn would flow out of Zaire to its creditors from 1978-82.

Thus Zaire's dilemma: projected disbursements are at their lowest when projected debt servicing is at its highest, and hence Zaire's request at last November's Brussels meeting of major western government creditors for \$1bn long-term much needed investments in transport, mining and agricultural sectors.

The vicious circle is completed by the reluctance of creditors to increase their commitments by anything approaching this amount.

## Soviet Union and Syria reach weapons agreement

BY IHSAN HIJAZI IN BEIRUT

THE SOVIET Union has agreed to sell Syria additional weapons as a result of five days of talks in Moscow by Major General Mustafa Tlas, the Syrian Defence Minister and Deputy Commander of the Armed Forces, according to diplomats here.

General Tlas returned home on Tuesday, but nothing official has been announced about the outcome of his meetings with Marshal Dimitri Ustinov, the Soviet Defence Minister.

The diplomats said they did not quite know the exact type or quantity of the arms to be supplied. They pointed out Damascus has been seeking at least 50 MIG 27 fighter-interceptors to be delivered later this year to match future American deliveries to Israel.

Iraq has played an influential role in eliminating a misunderstanding between Moscow and Damascus on the armaments question.

Last November, the Syrian Chief of Staff General Hafez Chehab cut a visit to Moscow short when he was unable to persuade Soviet officials Syria's growing military need.

It was noted that General Tlas' trip to the USSR came after talks held there by Saddam Hussein, the Iraqi Chairman of Iraq's revolutionary council.

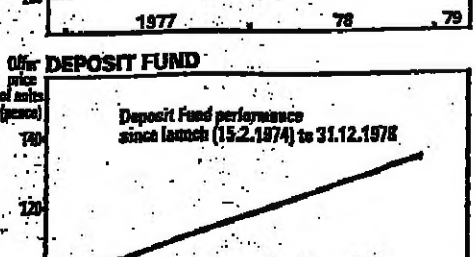
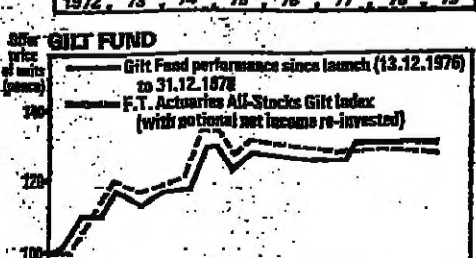
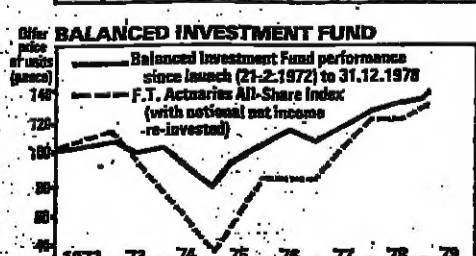
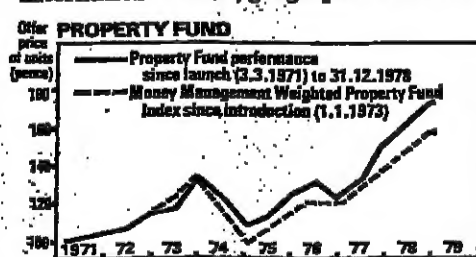
According to informed European sources, Mr. Hussein managed to convince President Brezhnev and Prime Minister Alexei Kosygin that Syria is a serious ally about the new alliance.

Furthermore, Mr. Hussein gave Soviet leaders a firm commitment that Iraq will pay considerable part of the cost of future arms deliveries to Syria, the sources said.

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Scotshares	£1,718
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European Growth Fund	£1,564
New Tokyo Index	£1,563
Investment Trust Units	£1,547
Energy Industries Fund	£1,479
Capital Units	£1,457
Universal Growth Fund	£1,431
Select International Fund	£1,319
U.K. Equity Fund	£1,304
Financial Securities Fund	£1,288
U.S. Growth Fund	£1,171
Standard & Poors Composite Index (U.S.A.)	£1,133
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European Investment Research Bureau Stock Index	£ 945
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# SAVE & PROSPER GROUP



## AMERICAN NEWS

## New accounting proposals unveiled

BY DAVID LASCELLES IN NEW YORK

PROPOSALS FOR inflation accounting in the U.S. were published here yesterday by the Financial Accounting Standards Board (FASB), the professional self-regulatory body. Although similar to those put forward in other Western countries, their scope is distinctly limited, reflecting the FASB's cautious approach to a reform which is viewed as unwelcome, although necessary, by much of the U.S. accounting community.

The proposals, laid out as a Draft Statement, would ask companies only for supplementary statements on how changing prices are affecting their operations. No changes would be made in basic financial statements.

Furthermore, only publicly held enterprises with property worth more than \$125m and total assets of over \$1bn would have to do this. The proposals would thus affect only the 200 or so largest industrial companies, although they would include a greater number of financial institutions.

The Draft Statement also gives companies the choice of reporting on a historical cost

constant dollar basis, or a current cost basis, although the FASB says it will issue guidelines to encourage use of the second.

On the historical cost-constant dollar (also known in the U.S. as general purchasing power) basis, accounts are prepared using historical costs, and the results reported in dollars having a fixed purchasing power. Adjustments would be made on the basis of the consumer price index, which is published monthly by the Labour Department.

On the current cost basis, assets and expenses are measured and reported at their cost at the balance sheet date, or at the date of sale or use. Companies using this method would also have to give information on holding gains or losses, net of inflation, and a statement of the current cost of property at the end of the fiscal year.

Whichever method is used, companies would also have to disclose the effects of inflation on their net monetary items. They would also have to show their foreign exchange gains and losses.

The other major requirement

is that reports include a five-day summary of companies' main financial data, including dividends and market prices per share, presented on a basis consistent with the supplementary information.

As for the timing of these changes, the FASB says it will receive comments until May 1, to make the Statement effective for fiscal years ending on or after next Christmas Day.

Although the FASB seems keen for inflation accounting to begin as soon as possible, the proposals are unusually tentative for a body which customarily directs the accounting profession with some firmness. But this is a result of the widespread controversy over inflation accounting, not only in the U.S. but abroad, where the recent British experience has had a marked influence on the U.S. approach.

A British expert on accounting, Professor Brian Carsberg, has been helping the FASB put together its Draft Statement. The FASB, acknowledging it is stepping into a minefield, introduces its Draft with the comment: "The requirements

would be more flexible than is customary in board statements, in order to encourage experimentation that would help to develop techniques for accumulating, reporting, and analysing data on the effects of price changes."

The FASB also said it will set up special task forces to look into the problems unique to certain assets and such industries as oil and gas, mining, forestry products, real estate, banking, and insurance.

Pressure for inflation accounting in the U.S. has come mainly from the Government and the Securities and Exchange Commission (SEC) whose own requirements for replacement cost data in financial statements will be superseded by the FASB Statement. The main argument is that investors and shareholders need to have a clearer idea of companies' operations.

However, the accounting profession made it clear to the FASB that it does not want revolutionary changes at this stage, and many people in business, while acknowledging that inflation can distort reports, view inflation accounting as another regulatory burden.

## SHIPBUILDING RECOVERY

## 'Scrap two, build one' suggested

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

A PLAN expected to cost well over \$300m in a three-year period and designed to accelerate the recovery of the world shipping and shipbuilding industries was unveiled in London yesterday.

It is the work of the International Maritime Industries Forum, a body which represents shipowners, shipbuilders, bankers and oil companies.

The plan, details of which have been sent to governments with shipbuilding interests and to international bodies such as the EEC and the Organisation for Economic Cooperation and Development, envisages subsidies for shipowners prepared to scrap two ships for every vessel they contract to build.

Sir James Dunnett, chairman of the forum, said that if governments were convinced of the

principle of scrap and build they could produce workable proposals within seven months.

He was particularly hopeful that there would be a positive response from the EEC, where officials are seeking to reassemble a shipbuilding strategy after the destruction last year at the hands of certain Governments of the initiative for a Community shipbuilding rationalisation plan.

The forum's scheme is for the years 1980-82, after which a recovery in the industry is expected to occur naturally.

Its objective is to ensure the scrapping of an additional 18m grt of vessels in that period, on top of a predicted annual rate of 10m grt outside the scheme.

This would be achieved by offering owners agreeing to

scrap two ships soft credit terms for the building of a single replacement. The terms suggested involve 12 years' finance for 90 per cent of the price at 80 per cent interest, compared with the seven years and 70 per cent limit of standard OECD terms.

The cost of this extended credit would be on top of the \$300m in direct subsidisation of scrapping. It is estimated at a \$1.1m subsidy for every \$10m in the cost of a new ship.

The report notes, however, a number of objections which sections of the forum's membership have raised during its compilation.

These include the danger of Governments simply subsidising the scrapping of ships which would be scrapped anyway and

the risk that big ships would be scrapped and the credits used to build smaller vessels in sectors not seriously over-taxed at present.

The forum says that these matters could be dealt with in the working plans to be produced by governments.

The effects of the scheme, the paper says, would be to bring forward the end of the shipbuilding slump by one and a half years, perhaps to 1982-83 and to prevent the decimation of the shipbuilding industry and the loss of key workers.

It acknowledges that the costs are substantial, but says the money would be better spent than on current shipbuilding subsidies, estimated to be costing EEC countries \$1bn a year.

## Canadian anger over planned airport switch

BY VICTOR MACKIE IN OTTAWA

THE British Government's decision to move Air Canada's scheduled passenger service operations out of London's Heathrow Airport in order to ease congestion there has deeply upset Canadians.

During recently resumed bilateral air talks in London it was made clear by the UK Department of Trade that Britain considered that it was not a question of whether Air Canada moved to Gatwick, south of London, but how and when—with 1980 or soon after being mentioned as the appropriate date.

There is a growing belief in Canadian Government and airline circles that there is a link between a shift to Gatwick and the UK's desire in the air talks to get more services by British Airways into western Canada.

This feeling was brought out into the open recently in the Canadian Parliament by Mr. Don Mazankowski, the Shadow Transport Minister. He suggested that the British Government was using the threat to move Air Canada as a lever to get the right for British Airways to fly into the West and

serve Calgary, Edmonton and Vancouver.

Air Canada says it is not against designation of British Airways to more Canadian cities provided a new bilateral agreement is negotiated with the U.K. giving Canada operating rights of equal value.

But many Canadians involved in the issue believe that by introducing the right of Air Canada to continue operating out of Heathrow, the British have stacked the deck. They say that although the British pretend that the two moves are

not linked, it is no coincidence that the warnings to Air Canada that it is to be turfed out of Heathrow came during the bilateral talks which have been held in London since the New Year.

In March, 1977, Air Canada learned of the British Government's intention to move selected airline operations from Heathrow to Gatwick from April 1, 1978, and lodged a protest. The following month Mr. Edmund Dell, then UK Secretary of State for Trade, confirmed the proposal, and said discussions were to be initiated

By Richard Hanson in Tokyo

JAPAN'S TOP maker of high-quality women's underwear and foundations, Wacoal, is discussing with China the possibility of a joint venture to make underwear in China for export to Japan, joining a growing number of textile companies interested in producing there.

Since last year, Japanese textile products have begun to rise rapidly after starting at low levels about ten years ago. It is estimated that the value of such imports will increase to about ¥30bn this year from around ¥20bn in 1978, still a very small sum but expected to increase further.

The strengthening of economic ties last year, led a number of Japanese companies to commence discussions on actually producing jointly their products with Chinese partners. However China has yet to work out the procedures for actual capital investment by foreigners. It appears to prefer arrangements where the Japanese provide the necessary machinery and technical know-how in return for Chinese labour, factory space and the products manufactured.

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What then is provoking such radical initiatives? In part it is the surge in merger activity over the past three years, during which dozens of companies with assets of \$100m or more have been taken over. Between 1975 and 1977 (the latest period for which the Federal Trade Commission has data) 43 companies with assets of over \$100m each were taken over. Their combined assets acquired totalled \$13.5bn. The pace was no slower in 1978, which saw \$bn bids for companies like Firestone Tyre and Rubber and Carrier Corporation, and 37 proposed acquisitions of companies with assets over \$100m in the first six months.

The rationale behind the deals has been partly that share prices are depressed and assets cheap to buy in relation to replacement costs. Most frequently the companies that have been bought have been leaders in their field and have been acquired by leaders in unrelated fields. The success of such bids reflects the weakness of existing anti-trust laws in relation to such conglomerate deals, a weakness the anti-trust agencies want to correct.

Another factor characterising the current merger wave is the desire by corporate giants to diversify in search of new growth prospects of more stable earnings records, or both.

The sight of so much merger activity and the absence of tools to attack the transactions may have been a frustrating one for the trust-busters. But there is more than professional pique at stake.

Critics complain that such mergers reflect the growing conservatism of big companies seeking the comparative safety of expansion through the acquisition of well-established and profitable concerns. It is argued that this trend could

have adverse long-term implications for the economy, since the cash being spent on such mergers would otherwise be invested in new productive equipment.

It is argued that since the companies being taken over are often leaders in their field, the classic economic defence for mergers, the displacement of poor managers by vigorous entrepreneurs, does not apply.

There are fears, too, that the companies being acquired will, with the support of the "deep pockets" of their new giant parent companies, be able to carve out dominant positions in their market, perhaps through unfair price-cutting.

There is also the concern about the increasing concentration of U.S. business and the alleged trend towards shared monopolies or oligopolistic competition. Critics say this tends to create within an industry a few large dominant firms which do not compete vigorously on price.

But the most contentious and abstract argument being employed by leading advocates of anti-trust reform is that big companies are able to exercise undesirable social or political power both locally and nationally.

The claim is another facet of the debate about "corporate governance" which raises the question of how to make big companies more responsive to their public responsibilities.

Many corporations satisfy these demands by increasing the representation of non-executive directors on their boards and, prodded by the Securities and Exchange Commission, giving them a greater practical say in company affairs.

But Congress may decide that anti-trust law—by stopping certain big companies from merging or facilitating the break-up of alleged monopolies—has a role to play in controlling corporate power.

## Police use tear gas in Kingston

By Canute James in Kingston

THE SECURITY forces used tear gas yesterday to disperse demonstrators in several parts of Kingston as a wave of protest against an increase in petrol prices gathered momentum. The demonstrations have blocked roads and cut off several major towns.

The 7 per cent increase in the price of petrol came into effect yesterday and has been caused, according to the Government, by the OPEC increases.

The opposition has promised to increase the demonstrations, hoping to cut the petrol price and bring the Government down. Mr. Dudley Thompson, the national security Minister, said that the police—who have allowed the demonstrations to go on, would be taking a more firm stand.

## British Minister in talks with Mexico on oil

BY WILLIAM CHISLETT IN MEXICO

THE British National Oil Corporation (BNOC) is interested in importing Mexican crude oil in a swap agreement, according to Dr. Dickson Mabon, the Minister of State for Energy who has arrived for discussions with Pemex, the state-owned oil monopoly.

Dr. Mabon said yesterday that Britain was very interested by the latest developments in Mexico's oil and that importing Mexican crude had some attractions.

Mexico's proven reserves now stand at 40bn barrels, the sixth largest in the world, and its probable reserves at 44bn barrels. Dr. Mabon is also talking later this week with the Federal Electricity Commission and the Nuclear Energy Institute and will visit the oil fields in the south.

Britain is interested in supplying technical assistance to Mexico. Last year a team of Mexican nuclear experts went to London to meet officials of Urenco, a British-Dutch-German group, and British Nuclear Fuels.

It was thought then that Mexico proposed to supply Britain and Europe with nuclear assistance including the enriching of its uranium abroad, uranium in exchange for tech-

AP-DJ reports from Ottawa: Mr. Alastair Gillespie, Canada's Energy Minister, was due to start discussions with Mexico about importing crude oil yesterday. Canada is seeking security of supplies, a spokesman said. Twenty per cent of its oil imports come from Iran.

## Cleveland to sell \$5m properties

CLEVELAND — The debt-ridden city started looking for buyers yesterday for property it decided to sell to stave off bankruptcy and save 400 municipal jobs.

The City Council voted to sell property valued at some \$5.23m and Mayor Dennis Kucinich said yesterday that this would stop the laying off of 400 of Cleveland's 10,000 workers.

The sales are seen as a short-term solution to the financial plight of Cleveland, Ohio's largest city, which defaulted last month on repaying \$15.5m owed to six local banks.

The Council hopes to bail Cleveland out by increasing city payroll tax by 50 per cent and selling the money-losing municipal electricity plant. But these measures have to be approved in a referendum on February 27.

## ANTI-TRUST LEGISLATION CHANGE

## U.S. business prepares to fight merger law reform

BY STEWART FLEMING IN NEW YORK

EVEN BEFORE the new Congress has convened, American business is preparing to fight what threatens to be the most radical reform of the laws governing competition and mergers in decades.

After two years during which the U.S. has witnessed a take-over spree to match the four great acquisition waves of the century, the Justice Department has disclosed that it is preparing new legislation banning mergers involving companies with combined assets or sales of \$2bn or more where each concern already has at least \$100m of assets or sales revenues.

This suggestion represents so dramatic a break with the tradition of U.S. anti-trust law that there is a suspicion that in making it the Justice Department is putting its opening bid for new legislation on the table and probably expects to see the terms whittled away either within the Carter Administration or by Congress.

But this is small comfort to the business community, for the Justice Department's move is not the only initiative emerging.

A Presidential Commission is due to report its findings on the state of anti-trust law later this month. It is expected to recommend that certain industries, including trucking and insurance, be deprived of their immunity from anti-trust laws that would fit the administration's policy of promoting competition and reducing federal regulation of business.

Prosecution

It may also recommend streamlining anti-trust procedures to make it easier to bring prosecution of alleged monopolies, such as the suit against International Business Machines to a conclusion. That case began almost a decade ago. But perhaps the most fascinating element in the gathering momentum in Washington for

anti-trust reform is the fact that Senator Edward Kennedy, a powerful and charismatic figure in the Democratic Party and a potential Challenger for the Presidency, is likely to lead the reformists' charge on Capitol Hill.

Last year the Senator who takes over shortly as chairman of the Judiciary Committee held hearings into conglomerate mergers. He has said that early in the forthcoming session of Congress he will introduce new anti-trust legislation.

The Carter administration thus will find it hard to ignore the issue for it would run the risk of heading the emerging leader of the party's liberal wing on an issue which could reinforce the Senator's already powerful position in the party.

A crucial question is whether there is a constituency either in the country or in Congress to support tough new anti-trust regulations. The shrewd Senator Kennedy seems to think so, but it is far from clear.

The announcement this week by American Express, the giant financial conglomerate, of a bid for publishing house McGraw Hill could prove significant. It is the sort of conglomerate merger which is stirring up the anti-trust authorities. It is also a deal which promises to touch some raw nerves on Capitol Hill since the target company is in the sensitive fields of broadcasting and magazine publishing and runs a key debt-rating agency.

On the other hand, the business lobby in Washington probably has not been as well organised and effective as it is today since the Second World War.

In the last session of Congress, in spite of Democratic control of the White House, business routed organised labour and consumer interests in key legislative battles. It also won major victories on tax

and economic policy. Already, the organisation of top executives of the largest U.S. corporations has a working party preparing for the anti-trust reform battle. That in itself is significant: a few years ago the legislation would have been half way through Congress before business had stirred.

At stake for business is not only the freedom to pursue what

philosophical base of anti-trust enforcement.

The law would come to include not just as now an assessment of the economic impact of a merger on particular markets, but also the social and political impact of the giant corporation on society. Mr. John Shenfield, head of the Justice Department's anti-trust division, has indicated that this is one of



Senator Edward Kennedy, planning to introduce reforms in anti-trust laws in the next session.

has been one of the most pronounced corporate strategies of the past three years but also, according to some experts in the merger field, fundamental principles which have governed U.S. anti-trust law.

At present, size as such is not treated as a factor in deciding whether a merger infringes anti-trust laws. It is relevant only in relation to such factors as competitive forces in specific markets.

The introduction of size criteria into these laws by banning mergers of certain large companies would be aimed directly at broadening the

factors reflected in the legislation he is drafting and Senator Kennedy is understood to share this view.

There is a further reason why the proposals being drawn up by the Justice Department are seen as breaking new ground. At present, anti-trust law does not ban merger transactions. It says that they can be attacked under existing laws but the enforcement agencies have to make their case in court. The idea of a size ban is seen as a radically different procedure skin to the more centralised control of business by Finance Ministries in Europe and alien to the U.S.

## Underwear venture in China

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## Problems for Japan's car makers

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S PRODUCTION of motor vehicles could fall this year for the first time since 1974, Toyota Motor Sales, the marketing arm of the industry's top manufacturer, forecast yesterday.

The fall will reflect a slowing-down of domestic demand (which increased sharply last year) coupled with increasingly difficult conditions in world markets. The president of Toyota Motor Sales, Mr. Seisai Kato, says that these two factors could add up to "a very difficult year" for an industry which has been one of the most prosperous in Japan for the past four years.

Mr. Kato said that Toyota had been prompted by the situation facing it to conduct "sweeping reviews of all its operations including markets, sales and after-sales service systems, the rationalisation of its distribution system and the format in which it enters overseas markets." He admitted that the company is thinking seriously about establishing a manufacturing operation in the U.S. but denied any thought of setting up in Europe.

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## Good designs urged as capital aid criterion

BY CHRISTOPHER LORENZ, MANAGEMENT EDITOR

THE GOVERNMENT was urged yesterday to cut the volume of grants to industry for capital expenditure, and shift the emphasis to encouraging better product design.

It should also include the quality of a company's design as a criterion for receiving any grant, said Mr. Kenneth Corfield, managing director of Standard Telephones and Cables, and author of a report on Product Design submitted to yesterday's meeting of the National Economic Development Council.

These two demands went even further than the formal recommendations of Mr. Corfield's report, which contains a long list of proposals to the Government, industry and the educational establishment for improving the quality of British manufactured goods, and hence the country's export performance.

In particular, the report suggests that Government grants for research and product development should be given

only to companies whose design management processes fulfil certain conditions.

In the case of such grants, design criteria should have very high priority in the assessment process, Mr. Corfield said yesterday. "Whereas design would obviously rank lower among the criteria for other sorts of grants, such as those for regional development.

Explaining why his report does not directly call for more State expenditure on design incentive schemes, Mr. Corfield said he was opposed to greater overall public spending. Hence the call for more selectivity in Department of Industry aid schemes, with a greater emphasis on design.

He also felt strongly that design was "one area where management still has complete responsibility," and where its performance could be improved considerably without Government intervention.

One of the Corfield Report's most dramatic proposals is that



MR. KENNETH CORFIELD  
Improving quality of goods

no academic should be appointed to any engineering faculty unless he or she has had industrial experience.

It also suggests that no new academic courses in electrical or mechanical engineering are approved unless they take full account of design and development.

Within five years, four-fifths of all electrical and mechanical engineering courses should be structured in the same way, the report suggests.

## Boards should see design as investment decision

THE MAIN recommendations in Mr. Kenneth Corfield's report are given below.

**Responsibility for design** within the company: Companies should designate an appropriate member of their Boards to take on the design function as a prime responsibility where this is not already the case.

**Management of the design function:** The Board member responsible for design matters should be in a position to ensure that the marketing, production and finance functions are fully involved in design decisions, together with other relevant functions, such as purchasing.

**Design review:** Management should set up a design review process along the following lines:

The critical phases of development should be clearly identified, and a decision to proceed, short or amend the design and development process should be made at the beginning of each new phase.

Aspects of the total design process which should be examined carefully should include market research data, specification, manufacturing and delivery constraints.

The financial and marketing functions, as well as the technical functions, should be involved in these reviews and in the decisions made as a result of them.

**Design and the investment decision:** Management should recognise product design as part of the investment decision.

It should also establish a product plan as the basis of the investment decision and make use of the design review process recommended.

Those providing finance should take steps to make sure that design is being given full consideration in the product development processes of the company and that provision of funds is made for computer aided design.

Both managers and the providers of finance should ensure that the following questions can be answered satisfactorily within the company before product development proceeds:

- For what market is the product intended?
- Has the relationship between eventual price and revenue been properly assessed, given the total cost of design and production?
- Is the design economically manufacturable?
- Does the design incorporate up-to-date technology?
- Are the materials and components available?
- Has the relationship between reliability and maintainability been fully investigated?
- Have the critical phases of development been identified?
- Are the planned delivery dates achievable?

The status of design and designers: Management should upgrade the responsibility and

status of those concerned with design in their companies. It should also take positive steps to convince young people that design is a highly worthwhile career.

Management and relevant professional bodies should clearly their requirements of the educational system so that people of the right calibre are trained as designers.

The professional institutions should examine their membership requirements to see if more prominence should be given to design qualifications.

The Design Council should devote increased effort through its publications, exhibitions and all other means at its disposal to improve the status of design and the understanding of design in industrial management.

**Education:** aid training: Managements should define their needs in collaboration with

**'Positive steps are needed to convince young people that designing is a worthwhile career'**

the academic institutions, including the provision of career study teaching material, and should enable lecturers to gain industrial experience. The Design Council and the trade and professional bodies have a vital role to play in helping industry and the colleges to build up these links.

The Council, having published the Carter and Moulton reports on design education, should endeavour to ensure that the recommendations therein are implemented with all speed.

Academic boards and relevant authorities should ensure that:

- No new academic courses in electrical or mechanical engineering are approved unless they take full account of design and development;
- Within five years, 80 per cent of all electrical and mechanical engineering courses in any academic institution should be so structured;
- No academic should be appointed to any engineering faculty unless he or she has had industrial experience;
- Every academic in engineering should have a sabbatical in industry every five to 10 years;
- Every academic institution should have a quota of visiting industrial lecturers.

**Transfer of technology:** Companies, the Government and the unions should work to reduce barriers to labour mobility between industry, Government and privately financed research institutes, and educational establishments.

Management should seek to reduce work practice barriers which have the effect of inhibiting personal mobility.

Industry should ensure that it is more aware of the applied

research being undertaken in the research institutions, and should be more willing to make a genuine assessment of the commercial viability of designs being developed by them.

The professional institutions should encourage and foster engineering forums, and bring manufacturers and users together in their specific fields of interest.

Such contacts should provide valuable feedback on product improvements which can be made by manufacturers, particularly to improve reliability and the standard of after sales service.

International links should be encouraged to ensure that the body of technology is fully representative of international expertise and not excessively nationalistic in its traits. This is particularly needed in manufacturing technology, knowledge of the state of which is an essential pre-requisite to design.

The Design Council's Design Advisory Service, aimed at improving the design of products before they reach the market place, is contributing in the field of technology transfer. Consideration could be given by the Government and the council to expanding the service.

Public sector purchasing and grants: Public authorities should develop procedures for the review of all public sector contracts for design specification, content and execution.

Government grants for research and product development should in general be made available only to those firms whose design management make use of computer aided design, and whose products comply with the best practices and standards known. In particular, the design review, as outlined above, should be insisted upon.

Specifications should be such as to leave the engineer and designer freedom to design the product to meet performance requirements.

Wherever possible public sector buyers should take into account requirements by overseas customers for similar products and try to make specifications compatible with overseas requirements.

Standards and codes of practice: Industry, trade associations and the public sector in collaboration with the British Standards Institute and the Design Council as appropriate should:

- Aim to define standards to emphasise function and performance rather than specifying constructional detailing;
- Ensure that design considerations are taken fully into account in the standards making process;
- Take export market considerations fully into account when drawing up standards and codes of practice, making use of internationally accepted standards wherever possible.

## Criticism of jeans profits rejected

By David Churchill, Consumer Affairs Correspondent

RETAILERS HAVE sharply criticised the Price Commission for its recent report on the £325m a year jeans market which called for a cut in gross profit margins.

The Retail Consortium, which represents more than 90 per cent of British retailers, has told the Department of Prices that it "totally rejects" the Commission's conclusions.

In addition, it considers it "rather alarming" that public money should be devoted to producing and publishing a report which is, in effect, a piece of market research at a bargain price and of undoubted value to overseas competitors.

The Commission's report, published last month, says that retailers were not justified in expecting to secure the same high margins for jeans—often 40 per cent or more—as was normal in the clothing trade.

Jeans represented a steadily expanding market where the financial risk was relatively low.

The consortium, however, after consulting with its members, has rejected the Commission's findings. It says that prices for "basic" jeans sold by chain stores have come down in price and that "fashion" jeans are a fairly risky venture for which demand can drop abruptly and without warning.

## Sir Hector Laing

SIR HECTOR LAING, shortly to join the board of Allied Breweries, is no longer a director of Royal Insurance Company as reported yesterday.

## Enterprise Board seeks joint Merseyside plans

BY PAUL TAYLOR

AN OFFER to put up half the capital for a joint venture with any suitable overseas company wishing to set up on Merseyside has been made by the National Enterprise Board.

The offer was made in a letter to the Merseyside County Council by Mr. Arthur Ward, the Enterprise Board's regional director in the North-West, shortly before a four man team from the recently established Merseyside Economic Development Office left to seek new U.S. investment for Merseyside in December.

Mr. Ward said in the letter that the Enterprise Board was "particularly anxious" that Merseyside should get its share of overseas investment projects. The board was willing therefore to offer to "share the risk of setting up new ventures on Merseyside with well established overseas companies who have soundly based projects which

they will be prepared to set up on Merseyside."

The Enterprise Board's move is seen as a contribution to the existing package of industrial incentives available under the Industry Act to companies wishing to invest in Merseyside.

Mr. Ward said yesterday that the offer reflected the Enterprise Board's desire to be involved with the overall attempts to attract investment to Merseyside.

### Equity stake

He emphasised the Board's flexible approach to investment policy, suggesting that in general terms it would seek a joint venture with an overseas company on a 50:50 basis. But it would be willing to go in on a minority stake if this suited the company and the project was sufficiently attractive.

For example, if an overseas

company had a project which called for £500,000 in equity and £500,000 in loans from the parent company then the Enterprise Board would be willing to provide 50 per cent of the equity stake and 50 per cent of the loans.

Merseyside County Council said that the offer would be put to any overseas company, if suitable, when the detailed negotiations began. Contacts had been made on the U.S. visit and the offer would be "very helpful" in future negotiations.

The offer included the standard Enterprise Board provisions that the company could buy back its equity stake once it had become fully established, that the Board would require top level representation and would want to approve forward plans and the company's budget. But it would not wish to be involved in day-to-day management of a company.

## Iberia to stay at Heathrow

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

IBERIA, the Spanish flag airline, is to remain at Heathrow while talks continue between the British and Spanish Governments on the UK's plan to move it to Gatwick on April 1.

This is a result of Iberia's legal actions against the Department of Trade and the British Airports Authority.

Iberia made clear yesterday that it would continue to oppose any efforts by the UK to move it to Gatwick.

A Spanish Government team is due in the UK soon for further talks at Britain's request.

Iberia feels that the planned move is solely for the convenience of British Airways

and to permit other airlines to grow at Heathrow.

It says that if it is forced to Gatwick, it will lose many passengers and 33 years' investment in time for the summer season.

Mr. Gonzalez denied that moving Iberia's services to Gatwick would relieve congestion at Heathrow. Other carriers would fill any gap left by moving an airline out of Heathrow.

Heathrow was vital to Iberia. "The move would be far more damaging to us than it would be to British Airways."

For example, we have 53 flights a week next summer, and British Airways has 35."

are now only two and half months before the summer schedules begin, we consider that proper notice cannot now be given to move us physically in time for the summer season."

Mr. Gonzalez denied that moving Iberia's services to Gatwick would relieve congestion at Heathrow. Other carriers would fill any gap left by moving an airline out of Heathrow.

Heathrow was vital to Iberia. "The move would be far more damaging to us than it would be to British Airways."

For example, we have 53 flights a week next summer, and British Airways has 35."

If you do business in Switzerland, South Africa or West Germany, today is a day to remember.

## Co-operative garage planned

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

BRITAIN'S first motorists' co-operative garage, enabling car owners to carry out their own servicing and repairs with professional help and tools is to open in June.

Construction work on the first garage, estimated to cost about £165,000, is due to begin shortly at Milton Keynes.

The project is being organised by the Milton Aids Centre, headed by Lord Young, and is being financially sponsored by the Total Oil Company and the Milton Keynes Development Corporation.

The garage will provide a self-service petrol station, a motorists' shop for spare parts and accessories, and 10 repair

bays equipped with lifts, compressed air, exhaust extraction pipes, electric points and water. Fully-qualified mechanics will give advice and will be prepared to take over if motorists are unable to finish jobs.

Car owners will be charged £1.50 an hour for use of the repair facilities, although founder members of the co-operative—which costs £70 to join—will also be given reduced rates for certain times.

Co-operative members will also be entitled to a share in any surpluses made by the garage.

The garage is based on a Swedish co-operative which has been operating for over 20 years. It now has 800,000 mem-

bers using more than 40 garages and also has its own petrol refinery and tankers.

• "Wooden spoons" for cars with more breakdowns and faults than average have been awarded by Motoring Which? to Chrysler, Reliant, new Rovers, Skoda and earlier Vauxhall models.

A survey says that makers whose products were generally better than average, with fewer breakdowns and faults, were foreign makes—BMW, Datsun, Honda, Mazda, Toyota, Volvo and VW Audi. "While these foreign cars stood out, famous UK makes such as Austin Morris emerged as about average."

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## UK NEWS

P and O  
board  
'tidy-up'  
move

A BOARDROOM change at P and O yesterday follows the appointment last September of Lord Inchcape as chairman and chief executive.

Mr. Richard Adams, formerly deputy managing director, became co-managing director with Mr. Sandy Marshall.

The company described the move as "tidying-up" after Lord Inchcape's move from his previous role as non-executive chairman.

It emphasised that Mr. Marshall would not change his responsibilities but would continue in charge of the company's general cargo and bulk shipping operations and of its interests in container shipping, Australia and energy.

Before September, Mr. Marshall was sole managing director and, in practice, chief executive, although he did not hold that title.

Mr. Adams also retains his existing responsibility for P & O Cruises, the European and air transport division and the Bovis construction company.

The change in title was necessary to straighten out the reporting lines of all sections of the business through the co-managing directors to Lord Inchcape, the company said.

Another management change in the marine world yesterday takes Mr. Ken Douglas back to his former position as managing director of Austin and Pickersgill, the Wearside member of British Shipbuilders.

Mr. Douglas, aged 58, who has worked for British Shipbuilders' ship repair division since March, was managing director of Austin and Pickersgill between 1958 and 1969, while its reputation as a world leader in production-line standard ships was established.

He is a former managing director of Upper Clyde Shipbuilders, but spent some years outside shipbuilding before joining British Shipbuilders.

Firestone starts talks  
about redundancies

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FIRESTONE, the U.S.-based tyre group, has started talks with the British Government about cuts at its Brentford plant as part of a rationalisation programme planned for the company's loss-making European operations.

The UK factory — which employs 1,200 and was Firestone's first when it moved into Europe 50 years ago — and the group's Swedish operations seem likely to bear the brunt of rationalisation.

Mr. Howard Hunt, Firestone's vice-president responsible for Europe and North Africa, said that Brentford was sustaining "substantial losses." Discussions with the Government and with unions had "not yet reached a mutually agreed outcome."

Firestone employs 4,500 in the UK, the rest at its Wrexham plant. If it does make cuts at Brentford it will be following Goodyear, which recently announced 1,400 redundancies in the UK and Dunlop which is expected to

close its plant at Speke with the loss of 1,200 jobs.

Motorists are covering fewer miles on tyres that last longer so there is over-capacity in Europe which Firestone estimates amounts to 15 per cent. The company employs 9,000 in Europe and has capacity for 11m units at its 11 European plants. "This is too high," said Mr. Hunt.

The outlook for demand this year was "sluggish" and there would be little change in the market for some years.

Firestone had a European strategy which would involve "difficult but necessary decisions. We will not shrink from making these decisions at the proper time."

Prospects  
Mr. Hunt would not be drawn about prospects for Sweden, but said: "Everyone knows it is a high-cost production country." Firestone last year closed its plant in Switzerland, another high-cost area. However, it remains com-

mitted to production in Europe where it possibly has a 10 per cent market share.

A "significant" cash injection has been given to the Italian business along with money from the Government which is a minority shareholder. The unions also agreed a productivity deal which allows the Italian plant to be expanded without additional people.

The Italian plant is second in size to the one in France among Firestone's European operations with the UK plant at Wrexham in third place.

Firestone's sales should be given a boost by the introduction of a new radial tyre for European cars — called the S211 — which the group announced yesterday it would introduce throughout Europe in March.

Firestone claims the new tyre, developed at the European research and development centre in Rome, out-performs all competitors while having the wearing quality of any other tyre on the market.

UK 'may  
have zero  
energy  
growth'

THE UK could have zero energy and electricity growth for the next 50 years even if there is a tripling of the country's economic growth, according to a controversial study published yesterday.

The report takes issue with many of the accepted views on future levels of energy consumption in the UK.

It outlines a low energy strategy for Britain which, even with high levels of economic growth, would increase present total primary energy use only by a fraction by the year 2000.

If the UK Gross Domestic Product were to grow by only 25 per cent in the 1980s and by 2 per cent in the 1990s, total primary energy use could have fallen by 7 per cent by 2000 compared with 1976.

These targets could be achieved, says the report, merely through the introduction of energy conservation technologies that are already widely available or which in a few cases should be on the market in the 1980s.

The study, prepared by the International Institute for the Environment and Development and sponsored by the Ford Foundation, contains new approaches to energy forecasting.

If the energy conservation measures outlined were to be implemented, UK primary energy needs in the year 2000 could amount to 330m-361m tonnes of coal equivalent far below estimates in the Department of Energy's Green Paper last year of 460m-570m tonnes of coal equivalent.

The report says that following such a strategy would imply that from the year 1976 to the year 2000 there would be a need to construct only 4.5-6.5 gigawatts of nuclear capacity, or three to five average-sized stations. This compares to the Department of Energy's forecast for 30 stations.

In the year 2000, the UK could be entirely self-sufficient in North Sea oil even on central estimates of reserves. Coal production need be only 120m tonnes a year, far below the 170m tonnes a year outlined in the Plan for Coal. Production would need to be 128m-148m tonnes a year in 2025.

For natural gas, the UK could be self-sufficient until 2015-2020 on the present central estimate of reserves.

General Accident  
puts 12% increase  
on motor premiums

BY ERIC SHORT

MORE THAN 1m motorists insured with General Accident, the largest motor insurer in Britain, face a rise from the beginning of next month in their motor premiums averaging 12 per cent for comprehensive cover and 10 per cent in respect of third-party, fire and theft.

In Northern Ireland, which has a higher accident rate than the rest of the UK, the rises average 12 per cent and 15 per cent respectively.

The company, announcing this latest premium rise, said that labour costs, charges for spare parts and court awards for injuries had all continued to rise at a rate considerably higher than the rise in the retail price index.

In addition, the number of claims had been increasing steadily for a variety of reasons, including the relative cheapness of petrol in real terms. The effect of all these factors had made it necessary for the increase.

The premium revision will come exactly 12 months after the previous increase, when rates were put up by 9 per cent. At that time, General Accident said that another premium rise could not be ruled out. Mr. Charles Heath, general manager (UK) said yesterday that the company had been able to hold rates steady for the full 12-month period.

Other insurance companies have found that rising claims costs have forced them to raise premiums within the 12-month period. On January 1, Eagle Star Insurance, the third largest motor insurer in the country, put up its motor premium rates only six months after the previous increase.

As a result of this latest premium rise from General Accident a mature driver of an Austin Allegro living in Leicestershire, qualifying for a full No-Claims Bonus, will find the premium for his comprehensive cover rising from £62 to £69.60.

Borrowing  
by public  
sector may  
exceed  
forecast

By David Freud

BORROWING by the public sector now looks likely to exceed the official November forecast of £8bn for the 1978-79 financial year. However, figures covering central Government transactions released yesterday suggest that the over-shoot may not be substantial.

The figures show that the Central Government Borrowing Requirement—which is a major component of the borrowing requirement for the whole of the public sector—increased sharply in December for the second month running.

In the first nine months of the current financial year the borrowing requirement was running at more than double the level of 1977-78 and was already barely short of the forecast total for the year as a whole.

However, much of the increase was due to variations in the pattern of tax receipts, and only a modest further rise in the requirement is expected in the last three months of the year.

In December the central Government borrowed an estimated £1.45bn compared with a total of £771m in the same month in 1977.

## Short

For the first nine months of 1978-79, borrowing is provisionally put at £7.5bn—double the £3.9bn of the same period in the previous year. The increase is just short of the £7.9bn forecast in the Budget for 1978-79.

Last year, the public sector borrowing requirement was 25 per cent bigger than that for the central Government. However, this year the two requirements are expected to be very closely aligned, mainly because local authorities and public corporations have been borrowing little from sources outside the Government.

Such borrowing is the only main difference between the two requirements. The cumulative borrowing requirement may fall next month as the Government repays debt with receipts of mainstream corporation tax, most of which is paid in January.

The different pattern of tax payments in the last two years for some of the disparity in borrowing requirements. Most of the tax reductions announced last year have already made their impact compared with 1977 when much of the effect was delayed until the second half.

This has led to a relatively slow growth in Inland Revenue receipts so far in the current financial year. This is the main reason why the increase in the total revenue of the consolidated fund through which the Government passes its receipts and expenditures, is a little lower than Budget predictions.

In the first nine months of the financial year total consolidated fund revenue was up £2.8bn, or 9 per cent, at £27.4bn. This was below the 10 per cent rate of increase forecast for the year in the Budget. The Inland Revenue receipts were up only 8.5 per cent compared with the 13.4 per cent forecast for the year.

Consolidated fund expenditure was still running ahead of forecast, with a large increase in the cost of servicing the national debt one of the main reasons.

Expenditure in December was £4.4bn, an increase of £356m on December 1977. In the year so far the total of £27.5bn was £3.8bn, or 15 per cent higher than last year, compared with the Budget forecast of a 17 per cent rise in the full year.

More quoted  
optic makers  
raise earnings

By James McDonald

A REPORT on 304 UK optics manufacturers and distributors by Inter Company Comparisons shows a considerable discrepancy between the fortunes of quoted and unquoted companies.

In the small quoted companies sector—which compares the balance sheets over a two-year period—six out of eight companies added to turnover, total assets, current liabilities and paid more to directors. Five increased their profits.

But in the unquoted sector, only 55 per cent of the 296 companies surveyed increased their turnover over the two-year period, and only 46 per cent raised their profits.

The society, which represents UK taxpayers at home and abroad, suggests a higher taxation starting point for a married man of at least £2,000—approximately half the national average earnings—with a proportionate increase in the single man's allowance. Capital transfer tax should be indexed "because of the ravages of inflation."

The society welcomes past increases in exemption limits for the investment income surcharge, but says that the surcharge should be abolished "in view of the burden on those who are saving or who have saved up for old age."

Capital gains tax—after seven years of liability should be phased out and an allowance introduced for getting professional advice to fill out complicated tax returns.

## Singer chief repeats ultimatum

BY LISA WOOD

SINGER, the U.S. multinational, repeated its warning to its 4,500 Clydebank workers yesterday that they must reverse their rejection of company reorganisation plans or the plant would close.

Mr. E. Keen, Singer's European sewing products group president gave the ultimatum to plant shop stewards and four national officers in London.

Mr. Joe Flavin, Singer's chairman and chief executive, told Clydebank workers last June of a four-year reorganisation plan that would cost 2,800 jobs (now 2,500 because of natural wastage and redundancies) and involve £8m investment.

Last month, after the union gave the company a management consultant's report, Singer agreed to save about 700 jobs (now 500) and to invest an extra £2m.

However, these proposals, which included increased production and a new wage structure, and which the union supported, were rejected by the workers.

Mr. Keen told the national officers yesterday that Singer intended to proceed with the reorganisation announced last June, but after an appeal by union leaders he agreed to give them a week to get the

workers' support for the December plans.

If these were not agreed, the company would carry out the June plan and "unless the shop floor indicates it is prepared to co-operate, Singer sees no way to make further investments in Clydebank."

Mr. Keen said after the meeting that if no further investment was made, the plant would die.

Between now and the end of March, Singer is to go ahead with about 560 redundancies. The company has contingency plans for increased production elsewhere if the workers rejected yesterday's advice, Mr. Keen said.

Meanwhile, Government departments, together with the oil and motor industries, are studying the cost of possible longer term reductions. This is parallel with the further studies of the health effects of lead initiated by the Secretaries for Social Services and the Environment.

While the Society wants abolition of lead additives, it said it would accept the present West German level of 0.15 grammes per litre for an interim period.

Meanwhile, Government departments, together with the oil and motor industries, are studying the cost of possible longer term reductions. This is parallel with the further studies of the health effects of lead initiated by the Secretaries for Social Services and the Environment.

## Petrol lead ratio to be cut

BY MAURICE SAMUELSON

A SLIGHT reduction in the proportion of lead added to petrol in the UK will result from regulations laid before Parliament yesterday by Mr. William Rodgers.

From January 1, 1981, the permitted maximum will be 0.40 grammes of lead per litre of petrol, compared with the

present 0.45 grammes. Because of the increased amount of traffic, the new maximum will merely fulfil the Government's commitment to keep total lead emissions at the level reached in 1971.

It does not satisfy anti-pollution circles who want a total ban on the use of lead, to raise

petrol's octane level.

The Conservation Society said yesterday that the new 1981 levels will be negated by the rise in the number of road vehicles. It said that of 11,000 tons of lead added to petrol in the UK every year, 8,000 tons escaped into the atmosphere.

While the Society wants aboli-

tion of lead additives, it said it would accept the present West German level of 0.15 grammes per litre for an interim period.

Meanwhile, Government departments, together with the oil and motor industries, are studying the cost of possible longer term reductions. This is parallel with the further studies of the health effects of lead initiated by the Secretaries for Social Services and the Environment.

Facing problems  
after 40 days  
in the wilderness

AFTER ITS first 40 days in the wilderness, The Times newspaper is beginning to face the problem of what to do with the minority of employees which it has not sacked.

The Times, the Sunday Times and the three supplements stopped publication on November 30 because of the refusal of most of its trade union groups to sign a series of new working agreements, proposed by the management.

Hopes that the unions would undergo a rapid conversion to the management's prescription for industrial peace are now fading. Mediation efforts by Mr. Albert Booth, Employment Secretary, have been rejected and no date is in sight for talks with the National Graphical Association on the central question of who should be allowed to use new computer typesetting equipment.

The chances that the shut-down will continue for at least another month, therefore, ap-

pear to be high. Some executives are talking about the possibility that The Times will stay closed through the spring, the early summer—or even longer.

If suspension is dragged out too far the organisation will have an acute problem of finding enough for its remaining employees to do. Last month, the excitement and anxieties of the shut-down kept most people fully occupied. Then the Christmas holidays diverted them. Now, they are planning for a possibly long period of idle presses.

About 700 sacked workers have left the Gray's Inn Road buildings altogether, while a further 3,000 are waiting for their dismissal notices to expire. Only 1,200 employees, represented by 20 of the company's 54 bargaining units, have signed the management's new agreements.

The agreements are intended to guarantee continuous production by preventing wildcat strikes and other forms of disruption. The management is also seeking assurances on the introduction of new computer-based typesetting equipment and reduction in manning levels in several departments.

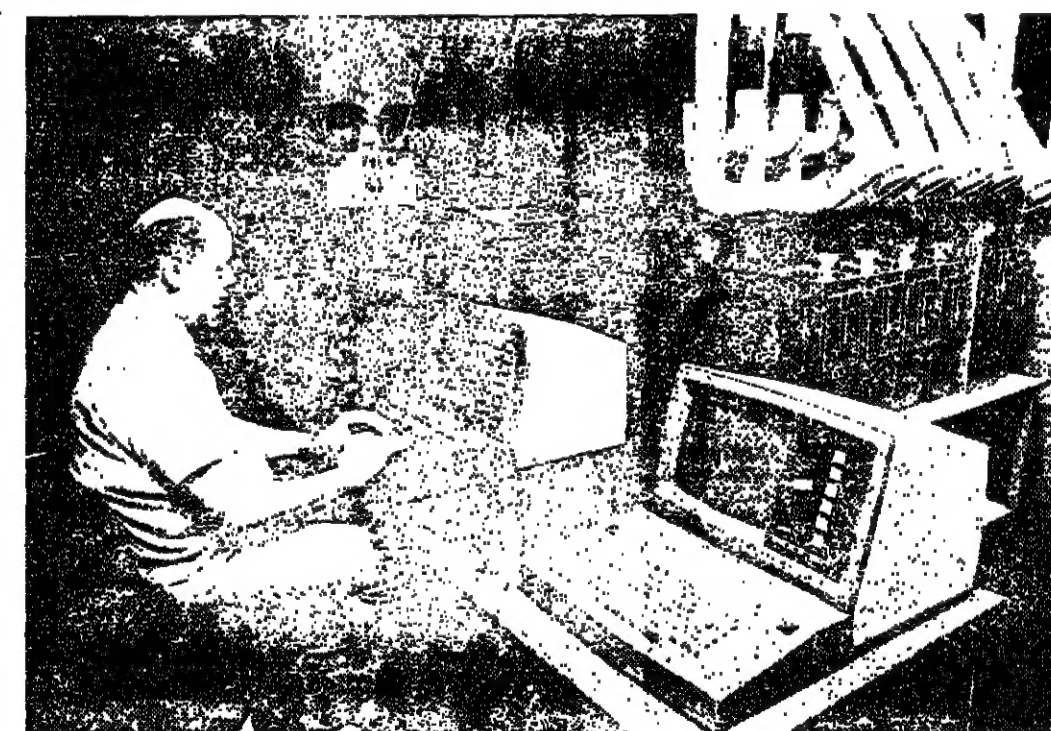
Among those who have agreed to the new terms are the 500 journalists who are living in a strange limbo of speculation and uncertainty. For many, the most important news is about what is happening within the glass and concrete walls of New Printing House Square. Indeed, weekly news conferences are being held specifically to discuss this question.

Now that the Times dispute appears set for a long haul, editors and senior executives are spending a great deal of energy in trying to maintain loyalty and prevent defections. For although The Times undoubtedly could be produced with fewer print workers, the

loss of some of its key writers and columnists would be a serious blow. Efforts have been made to find long-term investigations and other projects to occupy the writers. However, as Charles Douglas-Horne, the foreign editor, admits, "The adrenalin of the paper is less strong. Journalists are very much motivated by the hum of daily production of a paper. In some ways we have become very disembodied creatures."

Mr. Douglas-Horne's instructions to the 15 foreign correspondents scattered round the globe are: "Lie low; spend as little of the company's money as possible. Read a lot and take low budget trips to unusual places in the countries you cover."

Most of the foreign journalists are working on long-term articles for when the newspaper resumes publication, but Mr.



New computer typesetting equipment at The Times which has been shut down since November 30.

Douglas-Horne says: "One discovers how dangerously one depends on the animation which comes from the mere fact of daily publication."

Keeping up the spirits of the remaining "loyal" troops has been no easy task, because every day the ranks are thinned as familiar faces disappear. The first to leave were the messenger boys, only because they had the shortest notice periods. Now, most of the secretaries have gone. The cleaners are beginning to go, and the general services of the buildings are starting to run down.

The quiet gloom of the empty corridors has been emphasised by the fact that the first casualties of this struggle were generally those who were least involved. Many of the sacked secretaries have protested their loyalty, even sympathy to the company.

But in a power struggle between unions and management, individual preferences cannot be indulged too nicely. Secretaries, for example, belong to the same union as some of the printing workers. Therefore, they have to bow before the decision of a national executive which deliberates on the interests of widely different groups.

This sad thinning of the ranks is ironically underlined by a Times advertising poster pinned near the office door of Mr. Duke Hussey, the chief executive. The poster depicts the ill-fated Charge of the Light Brigade with the caption: "Have

you ever wished you were better informed?"

Behind the door, however, Mr. Hussey maintains a bluff and jovial presence, although his eyes betray the effect of intense concentration and no doubt the disappointment that things could not have been settled more quickly. In spite of the great frustrations, he says, morale is generally very high.

Management staff are engaged in long-range planning for larger and better newspapers. The opportunity is being taken to refurbish the building and to update plant and to get the new computer equipment ready for operation, he says.

So far, there has been no sign of an exodus among editorial staff or managers; and the sixth floor of the building has been encouraged by the thousands of letters of support from advertisers, wholesalers and readers. Even wholesalers who are suffering serious loss because of the shut-down have written to support the management's stand against disruption, he says.

The newspaper has, moreover, booked three full pages of unsolicited classified "welcome back" advertisements for the first day's publication, whenever that may be.

The wave of energy which sustains management hardly applies to the journalists—some of whom have the wretched task of telephoning the London Weather Centre each night for a forecast which will never be printed.

However, Mr. Louis Heren, the deputy editor, has tried to keep this sort of activity to a minimum. He has put the staff on a two-day week—"the best thing I ever did," he says. A skeleton staff is writing brief abstracts of the news for The Times files. Specialists and others are engaged on a variety of projects including some fundamental inquiries into particular aspects of society, politics and industry.

For the first time in his distinguished career, Mr. Heren finds himself more interviewed than interviewing. "Very pleased to oblige," he says. "We need to keep the paper's name alive."

At the Sunday Times, about 20 of the 170 editorial staff are writing books which could be serialised eventually by the newspaper. Most of the others have special investigative or other projects. Mr. Peter Roberts, managing editor, said that when staff was asked to suggest projects, the response was "overwhelming."

However, special projects, books and other gainful occupations cannot disguise the fact that a writer's credit and career depends upon having his name in the newspaper as often as possible.

As Mrs. Patricia Rowan, deputy editor of the Times Educational Supplement says: "We all have projects to get on with, but I sometimes feel very depressed—and very cross about the effect on my career."

Two companies accused  
of sanctions busting

FINANCIAL TIMES REPORTER

TWO SUBSIDIARIES of Lucas Industries, the motor components group, accused of breaking the United Nations trading sanctions against Rhodesia, exported more than £320,000 worth of motor car parts over a 17-month period, Mr. Gerald Owen, QC, claimed yesterday.

Consignments went to Rhodesia via South Africa, alleged Mr. Owen, prosecuting at Aylesbury Crown Court, marked with special code prefixes. One was "NN," which stood for "Northern Neighbour."

The offences were allegedly committed by Lucas Service Overseas, the expert division of the group based at Haddenham, Bucks, and Lucas CAV, a Lucas subsidiary manufacturing diesel

and fuel injection systems and based at Acton, in 1975-76. Both companies are pleading not guilty to charges of sanctions busting, as are Mr. David West, 49, former manager of African Affairs for Lucas Service Overseas, and Mr. John Mann, 52, general manager of Export Accounts for CAV.

Both men deny that they sent car spares knowing or having reasonable cause to believe that they were destined for Rhodesia.

Another defendant, Mr. Thomas Lack, 48, general manager and director of Lucas Service Overseas, is denying a charge alleging that he failed to note that car parts were exported to the Smith regime.

The trial, expected to last three weeks, continues.

Working party suggests  
productivity approach

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

A JOINT management/union approach to the problem of productivity is proposed in a booklet published by the food and drink machinery industry's sector working party.

Mr. Hugh Lang, chairman of the working party, introducing the booklet, says that higher productivity is the most urgent overall need if the aims of the industrial strategy are to be met, and suggests that the proposed approach by his industry could well be followed by other industries.

Every company in the food

and drink machinery industry is asked to adopt a two-stage approach in identifying the areas for improvement in productivity.

A preliminary review should be conducted first by top management to gauge the whole situation, a step which is considered by the tripartite working party to be essential if the second stage—to be conducted by management and union representatives—is to succeed.

A participative approach to productivity improvement: NEDO books.

rate of 83 per cent on higher earnings can be defensible to incentive and enterprise."

The society, which represents UK taxpayers at home and abroad, suggests a higher taxation starting point for a married man of at least £2,000—approximately half the national average earnings—with a proportionate increase in the single man's allowance.

Capital transfer tax should be indexed "because of the ravages of inflation."

The society welcomes past increases in exemption limits for the investment income surcharge, but says that the surcharge should be abolished "in view of the burden on those who are saving or who have saved up for old age."

Capital gains tax—after seven years of liability should be phased out and an allowance introduced for getting professional advice to fill out complicated tax returns.

## Shift to indirect tax urged

FINANCIAL TIMES REPORTER

A PARTIAL shift from direct to indirect taxation, especially value added tax, would promote higher productivity and act as a counter to inflation, the Income Tax Payers' Society said yesterday in a letter to the Chancellor.

Mr. William Clark, Conservative MP for Croydon S., the society's chairman, wrote to Mr. Healey asking him to set the highest rate of income tax at 50 per cent. "A marginal

rate of 83 per cent on higher earnings can be defensible to incentive and enterprise."

The society, which represents UK taxpayers at home and abroad, suggests a higher taxation starting point for a married man of at least £2,000—approximately half the national average earnings—with a proportionate increase in the single man's allowance.

Capital transfer tax should be indexed "because of the ravages of inflation."



INDUSTRY CRIPPLED • JOBS HIT • SCHOOLS CLOSED • DOCTORS IMMOBILISED • BUSES HALTED

## Picketed ports divert more vessels

BY LYNTON MCLAIN

MORE VESSELS were diverted from Britain's ports yesterday as dock storage areas became congested with imports trapped by picketing lorry drivers.

A cargo of tomatoes from the Canary Islands was expected at Liverpool, but the Saituki Maru, a Japanese ship on charter to the Amstar Line, was diverted to Rotterdam, where the cargo will be sold.

On Monday drivers at the port agreed to move a perishable cargo of fruit from the Canaries after the Mersey Docks and Harbour Board and the Liverpool Fruit Imports Association donated £1,000 each to a local charity.

The drivers gave no guarantee about future cargoes of fruit. Lorry movements fell to tenth of normal.

A Ben Line ship, the Lacy, was expected to dock at Liverpool yesterday with 12,000 cubic metres of timber from the Far East, but at the last moment the vessel was diverted to Tilbury Docks, London.

The Port of London Authority, which manages Tilbury, said last night that dock workers were unloading ships as normal.

No goods for exports entered the port yesterday and there were no confrontations between the striking drivers and private hauliers trying to cross picket lines to collect imports.

Whereas at the port were congested with newsprint, timber and other forest products, pressure on quayside space and warehouse capacity was relieved by unloading cargoes into barges. These were used as floating storage.

The Tilbury grain terminal, with an annual capacity of 2m tonnes of grain and flour, was working normally. Company-owned vehicles were allowed across picket lines and rail, barge and coastal traffic kept supplies moving.

Petroleum

A shipload of Russian cars arrived at Hull docks to add to the port's congestion. Dockers unloaded 10 other vessels as strong picketing continued at the main gates.

The congestion at Southampton, where the port is run by the British Transport Docks Board, was also building up. The one-day strike of drivers on Southern Region prevented a railload of cars arriving and no other car exports arrived by road.

Three container vessels are expected at the port this weekend and if congestion at the port gets worse there may be diverted.

At Grimsby, three vessels carrying frozen fish, petroleum coke for use in the aluminium industry and frozen meat, were unable to unload as congestion built up.

In Scotland, exports of scrap metal from the ports of Ayr and Troon, were at a standstill yesterday. Coal exports continued as loads arrived by rail, but lorries operated by the National Coal Board started to run short of fuel yesterday.

A Fleetwood, Lancashire, container service to Ireland stopped as a result of picketing. But the pickets allowed a load of 740 cases of eggs through to hospitals in Scotland.

Stronger link of training and jobs call

By Our Labour Staff

THE MANPOWER Services Commission has called for greater efforts to find jobs for people trained under its training Opportunities Scheme.

After reviewing the progress of the scheme, the commission published a report for its development "to meet the needs of the 1980s" in Employment News, the Department of Employment newspaper.

The commission recommends that the scheme's courses be more closely tailored to meet needs of local employers, and urges that individuals have the best possible guidance and information in choosing their occupational training.

Industrial working conditions made comfortable quickly and economically

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# Ulster close to State of Emergency

FINANCIAL TIMES REPORTER

A MASS MEETING of tanker drivers in Ulster decided last night to remain on unofficial strike. The surprise move dashed hopes of an early end to the fuel shortage which is gradually strangling the UK industry.

In spite of earlier decisions by BP and Esso drivers to return to work at midnight, Texaco men still on strike are understood to have swayed enough of those at the meeting to vote by a narrow majority to continue their action.

Elsewhere in the UK, thousands more workers were sent home yesterday as finished products piled up at plants and raw material supplies dried up because of picketing by lorry drivers at ports and factories.

Just how binding the decision of the Ulster drivers' meeting will be is expected to emerge today. The Northern Ireland Office has made plans for the declaration of a State of Emergency within Ulster if the situation deteriorates.

Mr. Roy Mason, Northern Ireland Secretary, is expected to consider the option today but with more than 10,000 people already idle because of the combined effects of the week-long action by tanker and haulage drivers the pressures on him to act will be considerable.

Last night's meeting of tanker men was attended by 400 of the 900 drivers in the Province but, nevertheless, the decision coupled with effective picketing could mean that no petrol or oil will be moved.

The continuing crisis dealt a severe blow to industry. Mr. Stanley Craig, president of the Northern Ireland Chamber of Commerce and general manager of the big Courtaulds man-made fibre plant near Belfast, said: "We are in the depths of despair."

Mr. Craig said the last place in the UK where tanker drivers should adopt this attitude.

Petrol retailers, who had been encouraged by the earlier votes by BP and Esso employees, were preparing for a resumption of supplies today and one of them said the decision of the mass meeting was "a major shock."

Only very few of the 900 filling stations in Ulster had any petrol left, he said. A group of representatives representing the tanker drivers is to meet in Belfast today to consider

plans for deliveries. But it is expected to allow fuel out of the terminals only for essential services.

Without fresh supplies bus and train services cannot expect to continue very long. The railways have already cut all off-peak trains.

Industry had forecast earlier this week that up to 50,000 Ulster jobs could be threatened in the short term if the strikes went on. Some key factories, like the Short Brothers aircraft plant in Belfast, have already been forced to close and the man-made fibres industry, which employs 9,000 people, is facing growing difficulties because raw materials have not been getting through.

The position in the Province has been worsened by heavy snowfalls which have cut power in some districts, blocked roads and hit flights in and out of Belfast.

Meanwhile attempts to distribute materials and finished products during the night have been hampered as pickets in many regions, including the Manchester and Merserside areas, have started a 24-hour vigil.

Distribution was almost at a standstill in Scotland yesterday as fresh snowfalls aggravated the already meagre deliveries.

Texaco tanker drivers pickets were withdrawn yesterday but many oil companies, keen to catch up on the backlog of work, were prevented from doing so by the weather.

In the North, manufacturers now face a two-day shutdown to total closure as raw material supplies dry up.

The fuel shortage had already caused the lay-off of 5,000 people in the engineering industry alone.

Manufacturers are not optimistic that things will get better, believing that the resumption of fuel supplies has provided only a lull before the storm.

BL's Triumph Dolomite body plant at Liverpool has laid off 670 workers while the Cowley works at Oxford is in the front line for closures, the company said yesterday.

The effects of the strike are now spreading in the South of England. The London Chamber of Commerce and Industry which said that 100,000 workers



Dockers at Tilbury discharged ships as they arrived yesterday, but only added to the congestion on wharves along the Thames, where newsprint and timber was piling up. Company-owned grain haulage vehicles were the only lorries allowed across picket lines, which have operated 24 hours a day since Monday.

in London and the South-East could be laid off by the weekend, added that the situation was now even more serious.

United Biscuits, with 17,500 workers in the South-East, is already half closed and production could cease completely by the end of this week.

Sir John Methven, director-general of the Confederation of British Industry, condemned the picketing of businesses and employees not involved in the dispute. He said the Trade Union and Labour Relations Act should be amended and industrial action should be limited to direct action against the company involved in the dispute.

While the Government should not hesitate to declare a State of Emergency, Sir John said that it would not solve the basic problem.

Large companies, which until now, have not been badly affected by the strike, are beginning to feel the bite.

Imperial Group said last night that production in all sectors is affected and the strike

would start having a serious impact within a few days.

Courtaulds, with 350 UK plants and a workforce of more than 100,000 is badly affected by the strike. Thousands of jobs will be jeopardised if the strike continues into next week, the company said.

British Steel Corporation said that all its plants in Wales will close this weekend through lack of raw materials if the strike was not settled. Raw material supplies were down 50 per cent in Scotland and more than 30 per cent in North-East England, while the position at the Scunthorpe plant was rapidly worsening.

Petrol supplies improved steadily in most parts of the UK yesterday but many motorists still had difficulty obtaining fuel.

Long queues continued outside petrol stations in Merseyside and North London, which were worst hit by the tanker drivers' strike. Filling stations on most motorways were still rationing their customers and garages in many places closed early.

The Automobile Association said the situation was "still very difficult in the North-West and in North London" with queues of vehicles outside many garages. In South London, the position was easier although drivers were still "having to look around" for petrol.

Supplies in the Midlands were said to be "quite good" and the situation in North Wales was "improving all the time."

The motorists least affected by the continuing effects of the tanker drivers' action were those in East Anglia and in the North-East. Petrol in these areas was said by the AA to have been "generally available."

Emergency powers

—how they could be used

BY ELINOR GOODMAN, LOBBY STAFF

A STATE of emergency could come into effect within hours of a Cabinet decision that there was a real threat to essential services and supplies.

A proclamation would have to be signed by the Queen. This last happened during the three-day week in 1974. It would be accompanied by regulations giving the Government wide powers to deal with the situation.

Under the Emergency Powers Act, which has been used nine times since it was passed in 1920, these would have to be laid before both Houses of Parliament and would expire within a week if not approved.

The regulations would provide a broad framework for action by setting aside the usual limitations. They could, for example, allow the Government to requisition lorries so that troops could use them to deliver food.

It is not, however, necessary for a state of emergency to have been declared for troops to be called in, as was shown during the firemen's strike.

Once the regulations had been laid, it would be up to individual Ministers to lay orders covering particular areas. The Agriculture Minister, for instance, would make orders relating to food sales.

Until now, the special Cabinet committee dealing with emergencies has been making contingency plans on the assumption that any state of emergency would be precipitated by a strike of petrol tanker drivers.

In this situation, the 1976 Energy Act, which gives the Government power to control the movement and pricing of petrol products, might have been used as an interim measure to declaring a full-scale state of emergency.

With the Ministers more optimistic yesterday about the outlook for petrol deliveries, the assumptions were being changed and the contingency plans altered to deal with a possible all-out strike by lorry drivers.

However, the feeling was that this dispute was far less likely to necessitate emergency procedures.

Most Ministers seem to agree with the Prime Minister in refusing to declare a state of emergency yet.

But there was some difference of opinion between Ministers as to how the situation should be handled if the lorry-drivers' strike became a

serious threat to supplies. Some Ministers, like Mr. John Silkin, Agriculture Minister, appeared to favour getting some voluntary assurances out of the unions about the maintenance of essential supplies, rather than declaring a state of emergency.

Others, like Mr. William Rodgers, Transport Secretary, seem to feel that it would not help the pay negotiations if the Government appeared to be dependent on the unions involved for continuing supplies.

Oil platform action

By Kevin Done, Energy Correspondent

INDUSTRIAL ACTION by construction workers employed on several North Sea oil platforms has spread to the Cormorant and Piper Fields.

About 130 workers have been down off the Cormorant platform to the east of the Shetland Islands and about 100 are being taken off the Piper platform to the east of the Orkneys.

The evacuation of the construction workforce from the Piper platform is being held up, however, by storms in the North Sea which yesterday cancelled all helicopter flights to the field.

On Occidental's Piper Field the men are employed by Balfour Kilpatrick and Strathclyde Processing, while the Cormorant workforce is employed by Vickers Oceanics.

The dispute first broke out at the weekend between 300 offshore construction workers and the contracting companies on three of the platforms on Shell/Esso's Brent Field. It concerns the renewal of the annual offshore construction and hook-up agreement.

Services sought for M-way

THE TRANSPORT Department was seeking planning clearance for a motorway service area on the M25 at Poyle, Surrey.

Notice of the proposal was given in December, 1977, to the local planning authority, Spelthorne Borough Council, under the procedure laid down for development by Government Departments. There were several objections. Further consideration was deferred until after the report of the Prior Committee on motorway service areas.

## Silkin acts to free farm animal feed

BY CHRISTOPHER PARKES

AMID RENEWED warnings of starvation and cannibalism among stock on pig and poultry farms, Mr. John Silkin, Minister of Agriculture, intervened in the hauliers' dispute yesterday in a bid to release supplies of animal feeds piled up in the docks.

But though supplies of staple human foods continued to shrink, there was no apparent move to ease restrictions which were beginning to force up prices.

Mr. Silkin said he had contacted the Transport and General Workers' Union asking for pickets to let supplies of vital soy beans and other proteins out of the docks into the feed factories.

Milk problem

He "had a feeling" that the union would agree to relax its controls.

By last night there were no signs that the stranglehold was being slackened save in Northern Ireland. Big mainland feed companies checking at ports found virtually no movement of protein to their mills.

Farmers had begun to complain that the low-protein rations being manufactured were already depressing milk yields of dairy cows.

The wariness that if feed ran out, stock in intensive units, mostly pigs and chickens, would begin to eat one another.

The dispute could soon "snap the food supply chain," said Sir Henry Plumb, president of the National Farmers' Union, warned yesterday. He accused the Government of putting food supplies in danger "by its inaction."

Mr. Eldon Griffiths, Tory MP for Bury St. Edmunds, said food prices would be pushed up and there would be shortages for many months if animals were slaughtered for lack of feed.

"Let no one imagine that they will end up as food—without lorries to get carcasses to market, immediate destruction will be necessary on health grounds," he said.

The amount of beef in the shops has been reduced because of absence of supplies from Scotland. Wholesale prices have gone up a pound this week. The price of lamb has risen by the same amount because of the effects of the pickets' blockade of imports from New Zealand.

Chicken prices are unchanged. The retail chain Dewhurst said pork would not go up.

Where fresh meat and vegetable supplies are disrupted, most multiples allow branches to find alternative local supplies rather than rely on normal group buying.

But demand, while higher than normal for this time of the year, was still not as high as last weekend's panic buying spree.

The big supermarkets fear that if the dispute worsens today there may be a renewed outbreak of panic buying higher than last weekend.

Most major supermarket multiples still have at least two weeks' supplies available in either stores or central depots. Some smaller stores, especially independent grocers, face difficulty getting new supplies. Many have some empty shelves.

Groceries hit by the dispute include sugar, salt and most tinned vegetables and meats. There were reports of pre-serves, flour and soup also in short supply.

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## THE MARKETING SCENE

Heightened interest in advertising seems to have coincided with an era in which the industry's nerve and drive are allegedly in decline. 'Agencies are being frozen out of the mainstream marketing process,' claims one agency chairman. Report by MICHAEL THOMPSON-NOEL

## TKO, or just a count?

FUNNY, BUT in recent months the media, both print and broadcast, has developed a heightened interest in the advertising business and its cast of Gary Glitters. Stories that hitherto would have been encountered only in the dusty corners of the trade press have surfaced like moles in the columns of the morning dailies and on radio and TV.

It can't be that news editors have suddenly woken to the fact that advertising, a £2bn-plus industry, is at present sustaining one of the most free-spending, most long-lived, booms of all time, even though the ad spend, in real terms, is likely to have dropped by the end of this year.

In any case, heightened interest in advertising seems to have coincided with an era in which the industry's nerve and drive to say nothing of its creative standards, are allegedly in decline. "Unrelenting blandness," says one agency chairman of last year's output from Adland. "Advertising has become a sweat and a chore," says another. "Increasingly, agencies are being frozen out of the mainstream marketing process. Instead, they're being asked to generate one campaign idea after another, like treadmills."

The two factors most likely to have stimulated the imagination of news editors are a) Mr. Roy Hattersley's strictures last year on the pirate fringe of rogue advertisers, and b) the Tories' appointment of the dar-

lings of Charlotte Street, Saatchi and Saatchi Garland Compton.

Though Mr. Hattersley's outbursts have been dubbed by one agency vice-chairman, Norman Berry, as an "advertising-bashing, publicity-seeking tantrum," the Secretary for Prices and Consumer Protection gives the appearance of being just sufficiently well briefed to be able to grab headlines with one hand while protecting his flank with the other.

As for the Saatchi brothers, Maurice and Charles, they can do no wrong. The Saatchi group last year billed in excess of £60m. The main agency alone piled on no fewer than 14 new accounts in the £500,000-plus range and a billings increase of virtually £18m., a 1978 performance that outstripped even that of McCann's.

Whether Mr. Hattersley has had as much to do with focusing interest on advertising as the Messrs. Saatchi, is hard to say. But the interest is there. An example was last Sunday's Look Here programme on London Weekend Television, which picked its way assuredly through the minefield of TV advertising.

The programme brought us numerous old familiar faces—David Abbott, Harold Lind, Gilbert Lamb, Michael Townsend—as well as interviewing the station's own sales director, Ronald Miller, who put up a gold lion performance in

defending/explaining the network's pre-empt rate card system as well as itemising the arrival of the new wave of advertising categories (retail, films, holidays, records, cars, hi-fi, fashion, white goods, etc.) to all the gaps left by the temporary hibernation of the packaged goods manufacturers.

The programme added little to the sum of human knowledge. But it was no doubt right on target in concluding that for now, in the battle between TV salesmen and agency media-buyers, TV will continue to win hands down.

Another example of heightened interest in advertising matters surfaced recently in the hallowed pages of Vogue, where Alexander Walker was to be found regretting the "modesty backlash" that in his view is emasculating much of the output of a once-brave industry.

He recalled the days when the dominant sound was the smashing of broken taboos. "Advertising was an emancipator. It gave surprisingly tolerant expression to trends people felt but mightn't have expressed so pithily. Well, all that's been changing..."

What I think distinguishes the year just ending is this: never have I known a time when people were so ready and willing to take offence, to declare themselves affronted. And affronted by the thought quite as much as by the deed that they deem offensive.

"The very media that lately promoted a healthy kind of shock are now encouraging a petulant sort of indignation. We are in the middle of a 'modesty backlash.' People don't want to see, hear or be reminded of anything which causes them to think their right to be protected from embarrassment is being violated."

As examples, he cited London Transport's refusal to permit posters bearing the single word "abortion," as well as the inexplicable coyness of The Sun and Daily Mirror in refusing ads urging contraceptives "lest they offend the readers, or rather the voyeurs, of other pages."

"One of 1978's better posters, showing a girl on a tiger-skin rug beseeching a live leopard to 'C'mon, Colman's, light my fire,' gave offence to everyone from ecologists to feminists. If the Advertising Standards Authority can be believed, though the mustard-lovers have yet to be heard from."

Mr. Walker has a point. Assaulted as it is (or at any rate pressurised) by Mr. Hattersley and the Office of Fair Trading, by the EEC Commission and its hordes of Eurocrats, by the Price Commission and by consumerists in general, the advertising business—despite its current grace and favour in the media's eye—is sounding timid, tired and trodden on. At the moment, it could be argued, it is in danger of edging backwards to a TKO.

## Confessions of a forecaster

Harold Lind explains how the AA forecast of advertising expenditure has not only survived but is to be expanded

AFTER THREE years of producing a forecast of UK advertising expenditure, first under the auspices of Young and Rubicam, then of the Advertising Association, I have finally hung up my computer and passed the extremely demanding work on to the AA. This is thus a good time to look back and see what, if any, light has been cast either on forecasting or on advertising by the months of thought and experimentation that went into the process.

The forecast's most obvious success is that it has survived for three years, and is working sufficiently well to continue in an expanded version for the foreseeable future. The forecasts have by no means always been right, but they have been sufficiently accurate to confirm certain of the theories on which the whole process was based. This is of major importance, since it helps demonstrate that advertising is indeed a form of economic activity and not the bastard of whim and show business which both its friends and enemies often seem to believe it to be.

The original forecast was based on three main principles—that advertising expenditure was an economic activity following a generally cyclical pattern like most other economic activities; that because of this it should be possible to use other economic indicators, not necessarily connected in any way with advertising, as a base for forecasting the movements of advertising; and that the situation was somewhat complicated by the fact that advertising expenditure consisted of a number of distinct categories which had to be separated before the operation could make any sense.

As a first attempt to break up advertising into sensible economic categories, I divided it into TV advertising (the most consumer oriented), Press display advertising (a slightly hybrid category), Press classified (considerably affected by changes in employment) and industrial advertising, which I originally took to mean advertising in the trade and technical press. Not all of these categories worked—in particular my definition of industrial advertising proved quite inadequate.

But they tied in well enough with trade cycles and with a number of economic indicators to show beyond doubt that the basic hypotheses were right. In particular, the work turned up

an extremely useful and surprisingly close relationship between movements in the CBO's long-range indicator and advertising five quarters later.

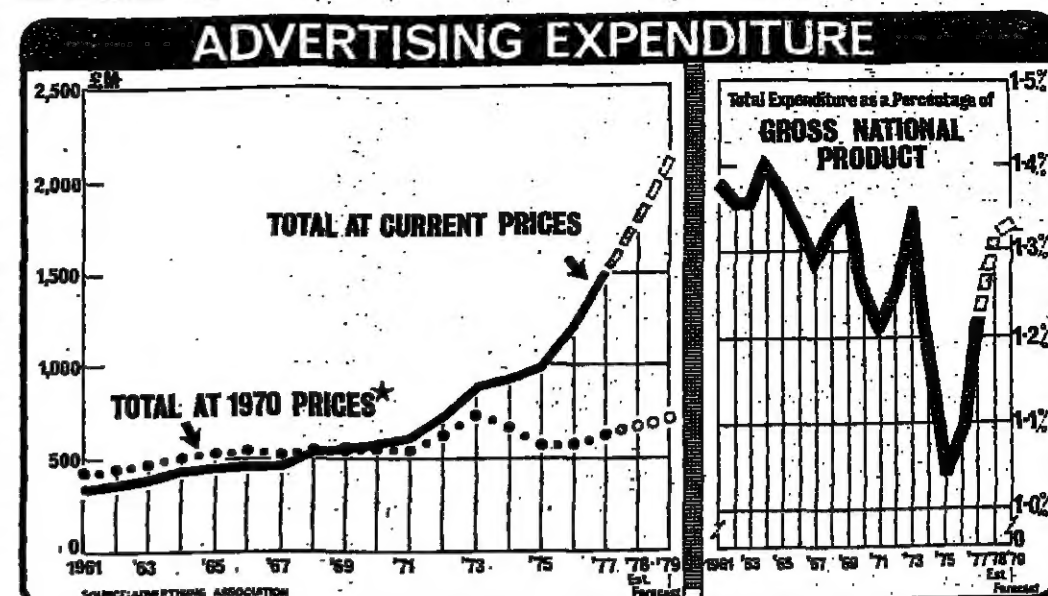
The main conceptual weakness of the forecast is, I believe, that it is based on an entirely demand oriented model. We can examine the factors within the economy which may induce firms to spend more or less on advertising, but there is

increasing inability of that medium to deliver its advertising messages (or indeed any other messages) regularly. The AA forecast simply cannot deal with the vagaries of Fleet Street.

The technical weaknesses of the forecast have largely been due to the impossibility of finding data either about advertising or economics in the correct form for the purposes. To give

expenditure. It must be augmented by an intimate knowledge of the advertising industry and a reasonable degree of judgement, to say nothing of a bit of luck.

A more recent change in the format of the forecast has also strengthened the requirement for human judgement rather than econometrics. This was the extension of the period covered, from a year to 18



an implicit assumption in the construction of the forecast that the people who sell advertising are completely passive as they move among the swings and roundabouts of the economy.

The more I study advertising, the more convinced I become that this is false. Because media advertising as a whole is such a relatively small part of all selling activity, and any particular medium necessarily smaller still, I believe that any medium virtually always has an enormous market to attack if only if it is prepared to set about it properly.

The two media which have been significantly underestimated by the forecast, television and trade and technical journals, have in recent years both sold their medium much more effectively than in the past. Television was more dramatic, partly because it began earlier than the trade and technical press, but both have grown markedly faster than the forecast model would have expected. On the other hand, national newspapers have done significantly less well—an indication of the

just two examples, it may well be that "industrial advertising" could be predicted by movements in the capital goods markets, but the figures for trade and technical advertising are not "industrial advertising" in that sense, and therefore cannot be predicted in that way.

I have not as yet been able to find a quarterly series for industrial advertising which can be used instead. Similarly, I put forward a thesis that certain types of advertising were heavily influenced by what I call "companies' disposable income"—a kind of amalgam of profits, cash flow and money that was slightly embarrassing to keep within the firm. I still believe this to be the case, but no series of available statistics quite embodies this concept, so I shall never know whether I was right or not.

The final weakness may perhaps be regarded as a strength—it depends on your point of view. It became clear to me long ago that econometric work was necessary but by no means sufficient to produce an adequate forecast of advertising

months. To some extent, although even then not completely, developments in the next three or four quarters are already fixed by existing economic circumstances.

But beyond that period, advertising will be affected by economic and political influences which have not yet been shaped and which must therefore be guessed at in the light of one's expectations about the resolution of the Government and the moderation of the trade unions, for example. In practice I believe that anyone thinking about the future has to make this kind of judgment at least implicitly and it does no harm to bring this fact into the open. Nevertheless, one must admit that it makes the forecast more an exercise of judgment than certain purists would like. The only defence is that statistical purists get it even more wrong than people employing reasonably sound judgment.

The Advertising Association's forecast will appear quarterly during 1979. Price £180 per annum from the Advertising Association, 15, Wilton Road, London, SW1.

## Chetwynds, Haddons in merger

CHEWTWYND and HADDONS are merging to form a new London agency, Chetwynds Haddons, with 1978 billings expected to total at least £12m, writes Michael Thompson-Noel. The agency will be part of the Chetwynds Streets Group and will operate from Haddons' premises at the International Press Centre.

The merger will produce only "minimum redundancies," and will put the new agency in approximately 25th place in the current pecking order. Haddons' chairman, Reg Oliver, will be chairman of the new agency, with Julian

Broad and Guy Ellerington of Chetwynds as joint deputy chairmen. The managing director will be David Pearson, currently joint managing director at Allen Brady and Marsh. ● **ABM, FASTEST-GROWING** agency in the top 20 (1978 billings: £20.5m) is handling the launch (thought to be worth £1m-plus) of BAT's State Express 535 Medium Mild. Wrigley has made ABM its sole agency by switching Spearhead and two other brands out of Y and R. Wrigley is expected to spend well over £2m via ABM this year. ● **FINDUS WILL SPEND** at

least £2.5m above the line in 1979 through JWT. Findus sales topped £100m for the first time last year. JWT is also handling a £180,000 campaign for Perspore Waterite. Other campaigns: Brooke Bond is backing Brazilian Blend instant coffee with £1m via DPBS; Trebor is spending a record £600,000 on Sharps Extra Strong Mints via NSW.

● **ROYAL WORCESTER** SPODE has appointed Cogent Elliott to handle Royal Worcester, Spode, Hammersley and Palissy advertising. ● **SOUTHERN TV**, in associa-

tion with Merchandising and Sales Services (a Quaker Group company), is offering clients a new service at retail outlets. Merchandising, research and demonstrations can be supplied, as can new product screening. ● **MICHAEL BARNES**, chairman of the Electricity Consumers' Council, is joining the council of the ASA, filling the vacancy left by the late Lord Peddie.

● **IN LAST WEEK'S** article, Finding a Face to Fit the Product, the Solid Fuel Advisory Service account was misattributed to Euro-Advertising; it is serviced by Interlink.

## Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## NAVIGATION

## Laser guidance for the traveller

FERRANTI has received a contract from the UK Ministry of Defence to design and develop a laser gyro and to incorporate it in an experimental model of a strap-down inertial navigation system. The contract follows on from an earlier research study undertaken by the company to assess the characteristics of laser gyros suitable for airborne use.

The aim is to produce a laser-gyro inertial navigation system for installation in transport aircraft, followed, if tests and trials are satisfactory, by the development of a laser-gyro navigator for combat aircraft.

Currently the Ferranti Inertial Systems Department has in full production a gimbal-supported inertial platform incorporating conventional spinning-mass gyros that has proved to be one of the most reliable and sensitive motion-sensing units available. However, a simpler method of sensing motion would be to eliminate the gimbal support and mount the gyros permanently in a fixed position—so-called "strap-down." In a gimbal system the platform is always maintained in a fixed orientation in space—the datum reference position. With a strap-down the displacement of the gyro with respect to the starting datum is assessed and stored by a computer associated with the system.

is situated midway along the length of one cavity and another are positioned towards the two remaining cavities. The helium neon mixture is excited to lase by electrical discharges occurring between the cathode and the two anodes.

As a result, two independent coherent light beams are generated—one travelling round the triangular resonating cavity in a clockwise direction, and the other in a counter-clockwise direction.

If this assembly is spun about a vertical axis perpendicular to the plane of the cavities the effective path around which one electromagnetic wave is travelling will appear to lengthen, and the other to shorten. To a detector placed at one of the reflecting mirrors the frequency of the electromagnetic wave propagated in one direction will appear to increase while that of the other wave will decrease.

The difference in frequency between the two waves is directly proportional to the rate of rotation of the chamber about its perpendicular axis. The detector produces output pulses at a frequency proportional to the rate of rotation. Angular rates of acceleration—which affect the basic rate of rotation—can be determined by assessing changes in output pulse frequency.

Major technical problems that have to be solved before the laser gyro becomes a practical proposition are the generation of a linear output signal at extremely low rates of angular rotation and to devise manufacturing techniques that enable the required high accuracies to be achieved and maintained on a production basis.

Target date for development completion and start of manufacture is the early 1980s. Ring laser gyroscopes by Honeywell have been specified by Boeing for its new generation 757 and 767 wide body jet liners with initial deliveries to begin in 1981. The full manufacturing programme is for 1800 units to be supplied up to 1986 at a rate of 3 gyroscopes per aircraft. Inertial Systems Department, Ferranti, Silverknowes, Ferry Road, Edinburgh EH4 4AD.

## COMPUTERS

## Government orders NonStop

TANDEM Computers has now confirmed receipt of an order for a NonStop computer system to be installed at Government Communications Headquarters, Cheltenham.

Systems Designers has also been awarded a contract to supply this Headquarters with a high reliability communications development system. A twin processor Tandem system was selected after extensive in-house evaluation by the company.

The array comprises twin processors with a total of 768K bytes of memory, two 240 Mbyte and three 10 Mbyte disks, four magnetic tape units, five terminals and several special com-

munications interfaces to be built by Systems Designers. This order is the second major one in the UK for Tandem Computers which specialises in the supply of multiple processor high reliability systems and claims never to have had a total system failure.

Tandem 16 uses standard hardware and software modules linked in such a way that failure in a module will not contaminate programs or data in any other module. Programs are written without regard for multiprocessors or system architecture. Every peripheral device has two paths into the

system, either of which can assume the load of the other. No operator intervention is required: shifting is automatic once a failure occurs.

The company has taken a decision to set up a European manufacturing centre in Frankfurt, German Federal Republic. It anticipates that within the near future, this centre will account for about one-third of the company's total business.

Manufacture of its ultra high reliability computers will begin in Frankfurt later this year. Tandem Computers is at 187 High Street, Uxbridge, Middlesex, UB8 3PQ.

## Aids to the study of markets

COMPUTER SERVICES for most aspects of market research have been launched by Scicon. They cover ten different computer-aided data analysis aids.

Four main systems for the market researcher are involved covering survey and statistical analysis. Additionally, further services involving another six different systems are offered for sales forecasting, financial modelling, production planning and distribution modelling.

Scicon is providing the various systems as a complete service run on its Univac 1108

computers at Milton Keynes. The computers may be accessed by terminals installed in users' premises or through Scicon regional offices.

ISAP is an interactive survey analysis package. It is for industrial studies where the manipulation and aggregation of quantities and costs are inevitable. ISAP, through its interaction, allows the researcher to present research objectives with the minimum of time and effort.

Persee is a batch survey analysis package. It meets the needs of consumer research

where the economic and efficient production of tables on medium to large sample sizes are required.

Interstat is an interactive statistical analysis package. It is invaluable to the marketing researcher wishing to obtain and explore relational, statistical tests from survey or allied data.

Batchstat is a statistical analysis package for multi-variate statistical analysis on the larger volume problem. Further from Scicon on 0908 565656.

## INSTRUMENTS

## Exact level of control in Antwerp

A PROBLEM in the City Dock in Antwerp, in which the water level must not exceed 4.35 metres (which would cause flooding) or fall below 4.2 metres (barring deep draught vessels) has been solved by a British company, N.B.A. (Controls), of Farnborough, Hampshire.

The fine balance of levels has always been achieved by transferring water between the dock and the adjacent River Schelde, but until recently the monitoring has been carried out manually.

Now, a fully automatic system from N.B.A. (Controls) based on a microcomputer is providing a level measurement accuracy of plus or minus 1 centimetre. The scheme is based on ultrasonic measuring heads in the dock, the river and the connecting lock, and data is continuously fed to the mini. A visual display shows individual levels and their differences in the harbourmaster's office and these are repeated at the outside water control points. Data is recorded on a two-channel chart recorder, and visual

alarms are provided for out-of-limit conditions.

Provision has been made for the addition at a later date of telemetering to give display facilities elsewhere, or connection to another computer. Since the parameters and facilities of the system are software controlled, later expansion, modification or reconfiguration can be carried out rapidly and cheaply.

The company is at Invinchill Road, Farnborough, Hampshire (0253 514335).

## COMMUNICATIONS

## Centre for Thames Water

SCHEDULED to be formally opened later this month, Thames Water Authority's new telecommunications centre in Reading will contain equipment for a centralised data acquisition system and will also form the communications centre for a radio network spanning the entire region from Gloucester to the Thames estuary.

Outstations monitor rainfall, river levels and flows, give warning of flood levels. Water quality stations have facilities for sampling by remote control.

Data is obtained from the stations using time division multiplexing telemetry operating over a multi-channel microwave network with UHF radio scanning from selected microwave link stations.

There are 57 telemetered locations in the first stage of the scheme, providing input to a pair of Ferranti Argus 7000 computers in the control centre every five minutes.

The radio network provides two-way working including talk-through out of normal working hours, on two channels covering the complete region.

Equipment has been provided by Plessey Radar, Pye Telecommunications and Ferranti.

New River Head, Rosebery Avenue, London EC1R 4TP (01 837 3300).

## ELECTRONICS

## Gives complete screening

A PROBLEM encountered by equipment designers when a cable is routed through a bulkhead or housing wall is that of maintaining the integrity of the radio frequency screening: signal can leak through possible annular orifices.

Engineering and distributed by Rich Field Electronics makes use of a patented iris principle to ensure full 360 degree electromagnetic screening while at the same time environmentally sealing one side of the bulkhead from the other.

The assembly through which the cable passes uses a small toroidal spring or iris which is

compressed by forcing it into a conical chamber in the body of the fitting by means of threaded bush. The spring becomes a tight conducting ring round the cable shielding or conduit. In this way, conductivity is maintained for shielding, bonding or grounding purposes.

A rubber "O" ring is similarly compressed to give a seal that will resist ingress of gas or liquid even at considerable temperatures and pressures.

The distributor is at Stephenson Way, Three Bridges, Crawley, Sussex (0293 32171).

## PLASTICS

## Carbonated drinks bottles

A LICENCE agreement has been signed by the Du Pont Company and Imperial Chemical Industries on biaxially oriented polyethylene terephthalate (PET) carbonated beverage bottles covered by Du Pont patents and patent applications in Europe, South America, Mexico and the Philippines.

This grants ICI rights to license its PET resin customers to manufacture and sell PET bottles covered by Du Pont patents. Royalty rate is 2 per cent, based on the PET resin.

It also supplements direct licensing arrangements with PET bottle-makers where the royalty is 1 per cent of the selling price of the bottles. PLM AB of Malmö, Sweden, was granted such a licence in 1978; others are being negotiated.

Further from Du Pont (UK), 18 Breams Buildings, Fetter Lane, London, E.C.4 (01-242 9044).

## METALWORKING

## Faces and chamfers

MANUFACTURERS of tubular components such as hydraulic cylinders are being offered a new double-ended facing and chamfering machine by Automated Production.

The standard machine will accommodate tubes from 1 inch long with a 1 inch diameter to 12 inches long and 3 inches in diameter. Processing of the smaller tubes can be up to 80

parts a minute and 30 parts a minute for the largest sizes.

With relatively minor modification, says the company, the machine could be adapted for internal boring and grooving operations. Automated Production is at 7 Factory Road, Upton Industrial Estate, Poole, Dorset, BH16 5HT (0202-82 4727).

## DALE GENERATING SETS

For prime power, standby, and the construction industry.

Dale Electric of Great Britain Ltd., Electricity Buildings, Fife, Yorks. YO14 9P.UK. Tel: 0223-51 4141 Telex: 52163

## SAFETY

## Tough alarm device

INTRODUCED by GPElliott Electronic Systems is a weather-proof break-glass alarm unit intended for use on offshore platforms and in petrochemical plants.

The unit is built to conform with British Standard 5384 (part 1 and IP65 covering ingress protection) and is made from gunmetal which is not able to produce frictional sparks and does not corrode in marine environments.

For deployment in fire and gas protection systems, the devices make use of conventional mechanisms in which a contact spring holds the contact button against the glass which, if broken, will initiate the protection system by closing (or opening) the contacts. Contacts are rated at 250 V AC 15 amps, or 50V DC at 15 amps.

Units can be fitted with a light emitting diode indicator which lights in the alarm state and a hinged guard to prevent inadvertent breaking of the glass. An inhibit key switch can also be fitted for use during maintenance and service.

More from 61 High Path, Merton, London SW19 2LW (01-548 1241).

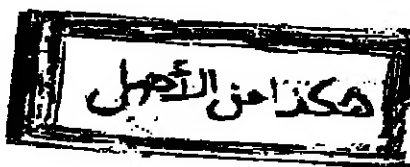
## Wide spout is safer

APART FROM a one-piece moulded body which assures leakproof operation (and also gives special resistance to corrosion during long periods of use) a non-metallic can has a large diameter spout whose cap is spring mounted to minimise the chance of spills while filling.

The cap will also close at the touch of a finger, giving maximum safety, yet allow expanding vapours to escape, thus preventing possible rupture of the container.

Available in two sizes, with capacities of 2 or 5 gallons, just-in-time safety dispensers are obtainable from Monar Machinery, 3 The Broadway, Woking, Surrey (048 64 646).





# A reminder to chief executives:

## We deliver



**A range of International services no other bank can offer.**

**Competitively.** To ensure your company makes the most of its international opportunities, you really should talk with us.

#### International Finance. Competitively.

Short-term and fixed rate medium-term finance covered by ECGD guarantees. Negotiating or discounting bills. Acceptance credits. Eurocurrency finance. Export factoring. International leasing and instalment finance.

#### International Branch Network. Competitively.

Being the exclusive U.K. member of European Banks International (EBIC) Midland can offer their clients the complete facilities of seven major independent European banks with 10,000 branches throughout Europe and a world-wide network of joint ventures.

#### International Transfers. Competitively.

Foreign exchange, spot and forward contracts. Clean payments, mail transfers, telegraphic transfers, drafts. Bills for collection, documentary credits.

#### International Corporate Travel. Competitively.

Exclusive to Midland, direct access to the world's largest travel company—Thomas Cook—a member of the Midland Bank Group. The fastest growing company in business travel providing the most comprehensive business travel service including foreign

exchange in 150 currencies, travellers cheques, VLP Service cards and 870 offices in 145 countries.

#### International Merchant Banking. Competitively.

A complete range of international financial services from Samuel Montagu, a major Merchant Bank and a member of the Midland Bank Group. Eurocurrency credits, bond issues, corporate and investment services.

#### International Marketing Services. Competitively.

A unique range of marketing and export finance services through the London American International Corporation Limited, operating in over 100 countries. Information on regulations, tariffs, documentation procedures and exchange control.

For a prompt answer, contact our Senior Executive, Corporate Finance or any of our branches throughout the U.K.

**TEST US.**

**Midland Bank International Delivers.**

Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN. Tel: 01-406 9944.



# Test us.



# APPOINTMENTS

## INTERNATIONAL FINANCE EXECUTIVES

U.K.

£10-12,000 + Car

Our Client is the International Division of Midland Bank.

In order to further the development of its corporate business, it is now seeking a small additional number of highly motivated International Finance Executives. They will be required to develop and extend the Bank's international business with major corporate clients in the U.K. and should be capable of negotiating eurocurrency facilities, together with other international financial services, at the highest corporate levels.

Ideally in their mid to late thirties, the successful candidates will have a good understanding of international banking and be able to demonstrate successful experience in the sale of financial services.

They must have confidence in their ability to negotiate directly with senior financial directors and be seeking to develop their careers as effective international bankers in a diversified banking group.

The posts are both challenging and stimulating and present excellent opportunities for substantial progress for successful candidates.

At a later stage of development there may be opportunities to work in overseas financial centres. Fluency in one or more foreign languages would therefore be an advantage, although not an absolute necessity for career advancement.

In addition to salary, the posts carry the related benefits associated with a progressive bank.

Applicants should write, providing concise personal and career details, to: C.A. Cotton, MLH Consultants Ltd., Park House, 22-26 Great Smith Street, London SW1P 3BU.

**MLH** Consulting Group of Companies

## COMPANY SECRETARY

£10,000 + car

As Secretary to a major UK public group in the packaging field you will have responsibility for relevant legal and secretarial matters on both a company and group basis.

Considerable liaison with subsidiaries and outside bodies is involved, and, as a qualified, experienced Secretary you will enjoy a progressive salary plus a full range of large company benefits.

The position is located initially in London with a move to the Midlands later in the year.

For an exchange of information call or write to Keith Diver

Personnel Resources Ltd., Hillgate House, Old Bailey, London, EC4M 7HS.

01-248 6321

Financial Appointments

## Ship Finance & Mortgaging London

Clyde & Co., city solicitors, are expanding their existing shipping practice by creating a department specialising in Ship Finance and Mortgage work. They seek applicants for the position of Head of that department to assist in its setting up and to run it.

Experience is essential, but candidates from financial institutions as well as from within the profession will be considered. Remuneration will be in five figures and commensurate with age and experience; the prospects in this growing practice are excellent.

Male or female candidates should send relevant details, quoting ref. no. 19140/FT to:

Mrs Indira Brown,  
Hoggett Bowers Selection Limited,  
Sutherland House,  
5/6 Argyll Street,  
London W1E 6EZ.

## ACCOUNTANTS

Liverpool  
Up to £8,000 p.a.

The Liverpool Daily Post and Echo Limited is an independent group of companies with an annual turnover in excess of £50 million. The group interests include retailing, papermaking, packaging, information systems and weekly newspaper publishing in the U.K. and in North America in addition to the two major regional daily newspapers on Merseyside.

Following a recent re-appraisal of the finance function within this successful and expanding group, a number of interesting vacancies have been created for qualified accountants. All the posts offer excellent prospects for future career development.

**Management Accountant**  
This appointment calls for two or three years post-qualification experience, which could be in a

professional environment or in industry, and will provide an opportunity for the successful candidate to assume specific responsibilities for the preparation and interpretation of a variety of management and financial information, including monthly accounts, cash and capital budgets and quarterly profit projections.

**Cost and Management Accountant**

Ideally, applicants for this post will have spent the two or three years since qualifying in a cost conscious industrial environment. The person appointed will be expected to develop the management accounting function and co-ordinate a cost cutting programme within the daily newspaper company and will have responsibility for advising managers on purchasing policy. In

addition, he or she will find opportunities to assist in the further development of computerised systems within the company.

**Financial Accountant**

This post will provide an opportunity for a newly qualified accountant, preferably with knowledge of computerised systems, to join a small team engaged in the compilation and interpretation of quarterly and annual accounts. Duties will include monitoring short-term group cash flow, liaison with company accountants to ensure that all accounting departments throughout the group are working to the highest accountancy standards and advising upon all aspects of current and future financial accounting.

Please apply with full career and personal details, indicating which post is of interest, to:  
The Personnel Manager,  
Liverpool Daily Post and Echo Limited,  
P.O. Box 48,  
Old Hall Street,  
Liverpool L69 3EB

**Liverpool Daily Post  
Liverpool Echo**

Merseyside's Newspapers

## Economics Engineer

Shell U.K. Exploration and Production require a Petroleum Engineer/Economist or an Economist for their Economic and Technical Planning Department in London. Your role will be to carry out economic analyses of projects connected with Shell Expro's operations in exploring for and developing U.K. oil and gas fields. You will be concerned with profitability evaluation and optimisation, and the impact of alternative schedules, methods, fiscal packages and financing techniques on project economics. Depending on your background, you may become considerably involved with the technical aspects of the projects, or you may concentrate on economic methods. It is possible that after a few years in the U.K., you may be offered the opportunity of serving overseas within the Shell Group.

Aged between 25 and 35 you should have either a technical or economics degree and at least 3 years' experience in a function with particular involvement in economic evaluations. Knowledge of oilfield operations and U.K. petroleum fiscal legislation would be an advantage.

You will be offered an attractive salary in line with your experience, plus a London Allowance. Conditions including pension scheme, varied sports and social amenities and other benefits, are first class. Assistance will be given with relocation expenses where appropriate. Please write giving details of qualifications and experience to: Shell U.K. Exploration and Production FT/UEP/32, Shell Centre, London SE1 7NA.



## Successore al Consigliere Delegato

Tessile

N. Italia

Una ditta produttrice di cucirini industriali e sintetici, operante nelle vicinanze di Milano, e facente parte di un Gruppo Industriale Inglese, cerca un successore al Consigliere Delegato, che si ritirerà dal lavoro fra 4 anni circa.

Dopo un iniziale periodo di training in Italia ed in Gran Bretagna, il candidato prescelto assumerà gradualmente le responsabilità che la posizione comporta, fino al pieno controllo della direzione entro il 1982.

La ditta ha circa 150 dipendenti, ed un fatturato superiore ai 2.5 milioni di sterline. E' attiva ed in espansione, e vanta ottimi collaboratori a sostegno della Direzione.

La Casa Madre accorda un buon grado di autonomia alla sua Consociata. I candidati, per i quali non è richiesta una specifica competenza in campo tessile, dovranno avere una buona esperienza in posizione analoga a quella offerta, preferibilmente presso una Consociata di un Gruppo

Industriale, e dovranno avere i seguenti requisiti:  
- 40/45 anni  
- perfetta conoscenza dell'italiano e dell'inglese  
- approfondita conoscenza delle moderne tecniche di management e amministrazione.

Sarà tenuta in particolare considerazione la candidatura di inglesi con esperienza di lavoro in Italia, o di italiani con simile esperienza in Inghilterra.

La posizione è stimolante, e la retribuzione offerta è adeguata alla responsabilità del lavoro.

Le interviste iniziali verranno condotte a Londra ed a Milano.

Le domande dovranno essere scritte in inglese, includere il curriculum vitae, specificare l'attuale retribuzione ed essere indirizzate a:

Mr. R. I. Lupini, Personnel Director,  
Lindus Industries Limited, Trevor House,  
100 Brompton Road, London  
SW3 1EL, England.

## Reserve Asset Management

In order to meet the increasing demand for its services, the Schroder Group Reserve Asset Management Program (RAM) wishes to recruit an additional executive to be based in London.

RAM operates from offices in London and New York and its work involves the provision of advisory services to clients on all aspects of their involvement in international short and medium term markets, as well as the discretionary management of multicurrency reserve funds. This includes advice on investments, on borrowing programmes and on the management of foreign exchange exposure. The clients are primarily central banks, government institutions and large corporations. The successful applicant is likely to have a first degree in economics or mathematics and a post-graduate qualification in business studies. An ability to use quantitative methods is essential. He/she will have had 2-3 years direct experience in any of the principal financial markets such as foreign exchange, eurobonds, sterling money market or equity market. While age is not an overriding factor, it is probable that a candidate with the necessary qualifications will be at least 28.

Salary is negotiable but it can be assumed that candidates for the post who are currently earning less than £7,500 are unlikely to have had sufficient experience. The company's standard conditions of employment include four weeks annual holiday, a non-contributory pension scheme and a mortgage subsidy scheme.

Letters of application and a detailed curriculum vitae should be addressed to:

Assistant Director Administration,  
J. Henry Schroder Wagg & Co. Limited,  
120 Cheapside, London EC2V 6DS.

SCHRODERS LIMITED

## Retired Overseas Banker London

Attractive flexible salary package and car

Our client, a rapidly expanding Commercial Bank incorporated in Abu Dhabi, now requires a London Representative for its small office in the City.

Responsible to the General Manager located in Abu Dhabi, the London Representative will be expected to represent the Bank's interests over a range of activities, including Public Relations, with Banks and Financial Institutions, and will be involved in the Bank's business in London and at times in Europe and the U.S.A.

Candidates ideally will have recently returned from a Senior Management appointment with one of the leading banks in the Middle East, and fully understand the political and economic circumstances of the area.

Age is not a limiting factor but the post would ideally be suited to someone recently returned from overseas service. The salary will be negotiable and flexible enough to satisfy the appropriate candidates, as will the hours of working. A car will also be provided.

Please write initially with brief details, quoting reference 902, to John Anderson as Advisor to the Company at:

**John Anderson & Associates**  
Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ

## Investment Manager Pension Fund

South London

Our client has a world wide spread of activities within the construction, civil engineering and contracting fields, and employs 5,000 people in the U.K. This new appointment will involve liaison with the trustees in managing a comparatively young fund which is currently topping £15 million and growing rapidly. Candidates of either sex, aged 30 to 40, should have a successful record of experience in funds management, preferably gained in a pension fund or financial institution.

Applications in strict confidence should be made in writing quoting ref. 6338 to Brian Luxton, Mervyn Hughes Group, 2/3 Cursitor Street, London EC4A 1NE.

**Mervyn Hughes Group**  
Management Recruitment Consultants

NORTH OF ENGLAND

£12,000 + car

## Senior Engineering Management

A Company that has grown to a turnover of £50 million is looking for an Engineering Manager to be responsible for mechanical engineering services at a key works site. Whilst this is a senior appointment, it will require a direct input into day-to-day engineering matters when years of practical engineering knowledge show their worth.

Applicants must also have experience in continuous plant operation, either in refining or the petro-chemical industries, where instrumentation, metals technology, corrosion problems and safe working practices have formed a prominent part of the career background in a sophisticated industrial manufacturing operation.

It is also a pre-requisite that the applicant must show every sign of continuing personal growth and should have the capability of promotion to broader areas of management.

All applications will be acknowledged and processed in total confidence. Please write to Group Personnel Manager, Box A.6591, Financial Times, 10 Cannon Street, EC4P 4BY.

ASSISTANT MANAGING DIRECTOR

for  
ARAB MARITIME PETROLEUM TRANSPORT CO.,  
KUWAIT

AMPTC — Pan-Arabic tankshipowners with an issued capital of \$US 500 million own eight tankers totalling 2 million t. d.w.t. and has three more L.P.G. on order.

Due to reorganisation there is a vacancy for an Assistant Managing Director who, with direct responsibility to the Vice-Chairman and Managing Director, shall co-ordinate and direct the

- Technical Department (Repair maintenance, new building, purchase, marine personnel operations)
- Commercial Department (Operations, chartering, research and projects)

This is a key executive managerial position. The experience of tanker management is indispensable in this position. The position carries large responsibility and challenges—and will be correspondingly well remunerated.

- Qualifications:
- University education.
  - Broad tanker management experience, technical and commercial, with emphasis on chartering.
  - International experience, preferably but not necessarily from Arab countries.
  - Age preferably 35-50 years.

Further information can be obtained from Mr. Ola H. B. Hellan, Asbjørn Habberstad A/S, Oslo. Tel: (47.2)—150180.

Applications, marked L-1036, to be sent to:

Mr. Ola H. B. Hellan  
ASBJØRN HABBERSTAD A/S  
Management Consultants  
P.O. Box 10, Linderud, Oslo 8, Norway.



## Financial Director Manufacturing

We make a mountain, no longer, needed product.

We make it in Lancashire, lots of it. We sell it nationally, mostly through groceries. We are a private company (very) and our name is well-known only to those in our trade. So for all these reasons you won't find that you get that nod of status recognition when you carry about your job at the golf club. On just about every other count, we have a lot to offer — if you have a lot to offer. But if you are a business snob with an accountant's mentality and with a yen for a London-spent expense account, you don't belong with us. If you're none of these things, but simply a bit over the hill, you don't either.

We offer the chance to be a key member of a lean, decision-prone management team, one that has brought us from nowhere to an important position in our industry within ten years. Our sales in 1978 were over £20 million. We employ 750. We have two plants not far apart. One is capital intensive, the other labour intensive.

A first-class inquiring mind, a decent university degree (any discipline), and credible financial qualification (preferably an MBA) are prerequisites. The broader the experience gained in the financial area the better, but 35 or so wouldn't necessarily be too young. An ability to empathise with, as well as live in, the Northwest is essential. So also is a zest for work and a real ability to animate others as well as lead them.

The reward is there, financially and otherwise. We think point one percent of turnover is about the right starting salary. After that, it's up to you. The company, which has an overseas parent, does have a track record of taking good care of its top producers.

If, improbably, you still really think you fit, please write to D. F. Crossley, at our UK Holding Company, Sterling International Ltd., Heathrow House, Bath Road, Canford, Hounslow, Middlesex, TW5 9QU.



## Financial Controller (Director Designate)

NW London to £13,500

A public company in the field of word processing systems and printing equipment wishes to appoint a Financial Controller. The company has a reputation for quality products and over 60% of output is exported.

Reporting to the Financial Director, initially the Financial Controller will carry out a review of existing accounting procedures in the U.K. Following this, responsibilities will cover all aspects of Financial Management and accounting through a staff of about 80. Success in this appointment will lead to a seat on the Board.

Candidates, preferably aged about 40, must be qualified accountants who have had management responsibility in a medium sized manufacturing unit. Experience of computer system development and the treasury function is also required.

Initial salary will be up to £13,500 together with the benefits normal to this level of appointment.

Candidates should prepare in confidence a brief personal details and an outline career history quoting reference FT/23/F to —



Turquand, Youngs & Layton-Bennett,  
Management Consultants,  
11 Doughty Street,  
London WC1N 1PL

## MANAGING DIRECTOR-CONSTRUCTION

c. £13,000

+ PROFIT SHARING

THAMES VALLEY

As a result of continuing growth and management reorganisation within a major construction and property group, the above appointment is now being offered. This is a challenging role to control and direct the activities of the contracting company which is the principal division of this group.

The position demands an experienced senior executive possessing:—

- ★ considerable line management experience, preferably to Director level, gained with a medium-sized contractor or an area, branch or subsidiary of a national contractor
- ★ a record of success in a position with full responsibility for the organisation and profitability of a construction activity
- ★ experience in the practical application of modern management techniques
- ★ commercial flair and keen financial awareness
- ★ the ability to gain the respect of an existing team.

Applicants must have a genuine desire to make a career with a well-established building contractor in the £25-£100 million turnover range.

The substantial salary will be supplemented by a profit-sharing scheme and the other employment benefits usually associated with such a senior position.

Please write or telephone for further information and an application form to:—



P. H. R. Few, BAS Management Services  
Management and Recruitment Consultants  
18 Mansfield Street, London W1M 9FG  
Tel: 01-638 2862

## Bankers Trust International seeks Certificate of Deposit Dealer

As part of the overall development of our international capital market trading activities, we are looking for the above self-motivated and professional individual.

This position has a large degree of responsibility, together with commensurate scope for career development.

Your basic qualifications and experience will be matched by a generous compensation package, including mortgage, personal loans and bonus schemes.

In the first instance, write enclosing a full Curriculum Vitae to: Mr. J.P. Dunford, Personnel Officer, Bankers Trust International Limited, 56-60 New Broad Street, London EC2M 1JU. Tel: 01-588 7131.



BANKERS TRUST INTERNATIONAL LIMITED

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THE MINSTER professional and individual approach has achieved outstanding results.

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MINSTER EXECUTIVE LIMITED  
115 Mount Street, London W1Y 5RD, 01-493 1309/1085.

## Financial analysts

Morgan Guaranty, one of the world's leading international banks, requires financial analysts to join its London based group involved in the evaluation of new and existing business and varied client industry studies in the British Isles and Scandinavia.

The vacancies call for well-qualified individuals, under 35 years of age, with relevant analytical experience in either stockbroking, banking, or industry. Fluency in a Scandinavian language is highly desirable, but essential for only one of the positions. The appointments offer competitive salaries which will depend on experience.

The positions carry substantial fringe benefits including a profit-sharing bonus, low-cost mortgage facilities, and a non-contributory pension scheme.

Please write including a full curriculum vitae, or telephone for an application form to: National City Bank, Morgan Guaranty Trust Company of New York, PO Box 101, Leadenhall Street, London EC3A 5BH. Telephone: 01-555 3111 ext. 222.

**Morgan Guaranty**  
Trust Company of New York

## LLOYD'S BROKER

### SENIOR INSURANCE EXECUTIVE

with sound knowledge of all classes of business and Lloyd's systems and used to personal contact with major Clients, required by Brokers with a World Wide spread of business.

The extent of the responsibility delegated and the remuneration and extra benefits depends on the applicant but it must be a person who has an excellent past record of internal administration and staff handling.

The requirement is for the OLDER PERSON AND POSSIBLY SOMEONE SEEKING AN EARLY RETIREMENT from present position, as it is essential that existing younger staff should not be disturbed by this appointment — rather they should be encouraged — and indeed it must be a prelude to the promotion of some of them.

Please send full details, which will be treated in the strictest confidence to Box A.6589, Financial Times, 10 Cannon Street, EC4P 4BY

## Banking Executive

A well known International Bank with Head Offices in the City wishes to appoint an additional Manager to assist with the promotion and control of growing business both in the United Kingdom and overseas.

Candidates, male or female, must be qualified bankers with considerable lending experience involving the credit assessment of substantial commercial and industrial borrowers. Familiarity with euro-currency loans desirable.

This is an attractive opening with excellent prospects for someone of ability with potential for further advancement. The requirement is for a person who is outgoing and professional in approach rather than a bank technician.

Salary is for negotiation, but is unlikely that those under 35 years and earning less than £10,000 will have the requisite qualities and experience. Discretionary benefits include car, preferential mortgage, BUPA and profit sharing.

Please apply in strict confidence quoting reference 1794 to Clive and Stokes Ltd., 14 Bolton Street, London W.1.

**Clive & Stokes**

Appointments & Personnel Consultants

## ENGINEERING ANALYST

E. B. SAVORY, MILLN & CO.

have a vacancy arising in their Engineering Specialisation for an experienced analyst to expand their coverage of the industry. The work would include keeping in close touch with managements, the preparation of regular Reports and discussing the industry and companies followed with institutional investors. Previous experience of the industry is not essential and the position would suit an analyst wanting to change from another specialisation.

Salary will depend on age and experience, but will be competitive. Usual fringe benefits, including non-contributory pension and bonus scheme.

The position offers excellent prospects.

Write giving full details of career to date to:—

J. Lockhart at  
E. B. SAVORY, MILLN & CO.,  
20, Moorgate, London EC2A 4AG.  
marking envelope "Private & Confidential."

## Tax Accountant

c. £7,500

required by London based multinational group, to assist Group Tax Manager with U.K. computations and tax planning, including evaluation of tax implications of investment proposals.

Applicants, aged 24-35, must be qualified accountants and capable of working with minimum supervision.

Benefits include a non-contributory pension scheme and relocation assistance if necessary.

Please write in confidence, with brief details of career to date, stating any companies to whom your letter should not be sent, to:—

J.D. Vine, Account Director (Ref. CRS/93)  
Lockyer, Bradshaw & Wilson Limited,  
North West House,  
119/127 Marylebone Road, London NW1 5PU

**LBW**  
LOCKYER, BRADSHAW & WILSON  
LIMITED

## Assistant Property Manager

UK Provident has property assets currently worth more than £100m, and has been a leading developer of substantial properties in the West End of London during the 1970s.

For this newly-created position we have in mind someone in the mid to late thirties, who is a corporate member of the RICS; an investment background and experience of staff management are essential.

The person we appoint will be the sole Assistant Property Manager. He or she will work with the Joint Property Managers, both of whom will be retiring in the next few years, in managing both the department and the growing portfolio.

The post will be based in the City of London. Most of the work will be in London although a certain amount of travelling throughout the UK will be necessary.

The salary will be negotiable and reflect the high degree of skill and experience the job will entail. Attractive fringe benefits will include a House Purchase Loan Scheme and a non-contributory pension.

Applications should be marked "Personal" and be sent, together with a full career summary, to:—

Mr. S. V. Finn,  
Deputy General Manager & Secretary,  
UK Provident,  
King William Street House,  
3/13 Arthur Street, London EC4P 4DS



## The Hongkong and Shanghai Banking Corporation



## COMMERCIAL LAWYER

Applications are invited for a post in the Legal Department of the Bank at its Head Office in Hong Kong.

Applicants should be solicitors who are graduates of a university in the United Kingdom and who have had practical experience in company and general commercial law. The preferred age is 25-32.

The salary is subject to negotiation in accordance with ability and experience, but will not be less than the equivalent of £17,500 per annum at the current rate of exchange. Other benefits include furnished accommodation, six weeks' annual leave, medical benefits etc.

Written applications marked confidential should be addressed to:—

The Manager (Staff), Group Head Office,  
The Hongkong and Shanghai Banking Corporation,  
1 Queen's Road Central, Hong Kong.

and should be submitted within two weeks of the appearance of this advertisement.

## Jonathan Wren • Banking Appointments



The personnel consultancy dealing exclusively with the banking profession

### REGIONAL MANAGERS MERCHANT BANKING IN THE NORTH OF ENGLAND

Due to its planned expansion in the North, one of the City's leading Accepting Houses wishes to appoint Regional Managers in its North of England offices in Leeds and Manchester.

Responsible for running the office and for maintaining close liaison with all departments in the London Head Office, the individual's prime role is general business development throughout the North of England for the full range of the Bank's financial services.

Applicants should have a good record in industry, banking or one of the professions, although the background of the individual is less important than the need for energy, enterprise and application. Individuals should ideally be between 30-45 and have a good knowledge of industry and commerce in the region.

These are important posts, offering challenging opportunities which will be fully reflected in salary and fringe benefits.

In the first instance, in strict confidence,  
please contact: KEN ANDERSON (Director)

170 Bishopsgate London EC2M 4LX 01-6231266/7/8/9



## Financial Director

From £10,000+car+benefits

An experienced Financial Director is required to join the Board of a multi-million pound enterprise in the West of Scotland which employs about 5,000 people. A professional qualification and experience in heavy industry will be an advantage. The successful man or woman will lead an existing team in the presentation of financial and management accounts, the development of new

concepts in financial modelling with data processing assistance; and will also be responsible for payroll, pensions, insurance and other ancillary activities. A salary in excess of £10,000 is offered with a good car, other attractive benefits and generous relocation expenses.

(PA Personnel Services Ref: AA50/6718/FT)

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

### PA Personnel Services

127 George Street, Edinburgh EH2 4JN. Telephone: 031-225 4481.



A member of PA International

## Internal Consultants

Operational Review

London based, to £9,500

Our clients are a major international manufacturer and distributor of business equipment and supplies. The internal consultants are employed worldwide and are engaged on planning and executing reviews of operations, systems and procedures covering all aspects of the company's business. Additional consultants are now required to join a function recognised as providing excellent opportunities for furthering your management career. Applicants will be aged 27-32, ideally graduate CA's, with practical business and management experience gained both in the profession or in a head office or operating company environment. The job involves about 60% overseas travel and provides constant exposure to and dealings with senior management which necessitates good verbal and written communication skills. Fluency in a second European language, while not essential would be an advantage.

N.P.S. Lilley; Ref: 22117/FT.

Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyle Street, W1E 6EZ.



## Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

## INVESTMENT ACCOUNTING OPPORTUNITIES MIDDLE EAST

Our client has the responsibility for the investment management of substantial funds which, as a result of constant growth, has given rise to opportunities for three accountants to work in Abu Dhabi on a two year contract basis, renewable thereafter.

### Chief Financial Controller

£15,000 to £20,000 tax free  
+ car + furnished accommodation.

Reporting to the Financial Director, the successful candidate will control the head office finance function. He will supervise the day-to-day work of the accounts section and the consolidation of financial and management information from the various divisions. He will liaise closely with the senior portfolio managers and control eleven accountants.

Candidates for this appointment will be qualified accountants, ideally with three to five years' investment accounting experience. They should be aged 30-45, self-disciplined and have the ability to communicate with management at all levels. 2346A.

### Investment Accountant

£10,000 to £12,800 tax free  
+ furnished accommodation.

Preparing management and financial information for the specialist investment divisions, the successful candidate will become an integral part of the existing head office accounting function.

Candidates will be qualified accountants with some exposure to investment and may be currently in the profession or commerce. They should be aged 25-30 and able to demonstrate a flexible and committed approach necessary to succeed in a demanding environment. 2346B.

For more detailed information on these appointments and a personal history form please contact Neville Mills A.C.I.S. or Kevin Byrne B.A. quoting the appropriate reference.

### Douglas Llambras Associates Ltd.

Accountancy & Management Recruitment Consultants,  
410 Strand, London WC2R 0NS. Tel: 01-836 9501  
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101  
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744



## FINANCIAL CONTROL

GROWING PUBLIC COMPANY

to £8,000 + Car.

Our client is a highly successful, fast growing public company involved in market research, publishing and allied fields. This very profitable group now has a turnover of £20 million and is currently expanding and diversifying its activities through internal growth and acquisitions. As part of this policy, they are looking to significantly strengthen the finance team through the following appointments:

### Financial Controller

Based in South London, responsibility is for the complete finance function in a fast growing subsidiary engaged in ad-hoc research. Particular emphasis is laid on the interpretation of information for the benefit of management. Ref: No. 2335A

### Group Overseas Accountant

Based in Central London, with extensive overseas travel, responsibility is for group accounting and reporting for European subsidiaries. Systems development will be an important role, particularly in the Italian operation. Because of this fluent Italian is required. Ref: No. 2335B

Qualified accountants in their late 20's (either in commerce/industry or public practice) will be considered. In both cases a strong personality is required to fit into a dynamic marketing - based environment. As important members of the management team, there are real prospects for rapid promotion.

For further information on these appointments and a personal history form, please contact Neville Mills A.C.I.S. or Kevin Byrne B.A. quoting the appropriate reference number(s).

### Douglas Llambras Associates Ltd.

Accountancy & Management Recruitment Consultants,  
410 Strand, London WC2R 0NS. Tel: 01-836 9501  
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101  
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744



## FINANCIAL DIRECTOR DESIGNATE

Ilford, Essex

£12,000-£15,000 + car + benefits

Our client is a small but expanding group of companies with an impressive growth record.

The Financial Director Designate will assume responsibility for the group's entire finance function. In addition he/she will be expected to make a significant contribution to the general management and profitable development of the company's activities.

Candidates will be qualified accountants, probably aged 30-40 with a proven record of success in financial management in a manufacturing industry. They will also have the personal skills to integrate effectively into a demanding commercial environment.

For more detailed information and a personal history form, please contact Neville Mills, A.C.I.S. or Peter Dawson, quoting reference no. 2338.

Commercial/Industrial Division

### Douglas Llambras Associates Ltd.

Accountancy & Management Recruitment Consultants,  
410 Strand, London WC2R 0NS. Tel: 01-836 9501  
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101  
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We know half of what we want and expect you to give us the other half.

Because you will be assuming a newly created position, we are looking for a top professional who will report to our Director, International Finance & Administration and will be able to create his/her own future.

We know you will be:-

- \* Developing Budget and Planning Systems for implementation within European Subsidiary companies.
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- \* Responsible for establishing long term planning capability.
- \* Have an Accounting qualification and experience in a Multi-National American company Budget & Planning practices.

NOW - tell us about yourself by sending your career details in confidence to:

Alan H. Silva, Personnel Director,  
Prime Computer (UK) Ltd., The Houslow Centre,  
1 Lampton Road, Houslow, Middlesex, TW3 1UB

# PRIME

## FINANCIAL MANAGER

N.W. London

to £8,500 + Car

A quoted company, our client has developed a new concept in a specialist retail area, in which it has a dominant market position.

Owing to internal re-organisation, the company now seeks to recruit a Financial Manager who will report directly to the Financial Controller. The successful candidate will control 20 staff and oversee the production of financial and management information, monitor results for management of all disciplines and contribute to the further development of the company's ambitious computerisation programme.

Candidates will be qualified accountants with one/two year's post qualifying experience either in the profession or commerce/industry. Having established a sound technical base, they should be looking to develop their commercial acumen and management skills and must possess the flexibility to meet the demanding requirements of a dynamic management style.

For more detailed information and a personal history form please contact either Nigel V. Smith, A.C.A., or Peter Dawson quoting reference 2285.

Commercial/Industrial Division

### Douglas Llambras Associates Ltd.

Accountancy & Management Recruitment Consultants,  
410 Strand, London WC2R 0NS. Tel: 01-836 9501  
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101  
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744



## AMSTERDAM RECENTLY QUALIFIED

c. £11,500

Our client, one of the largest manufacturers of photographic and office equipment in the world, has its European accounting function centralised in Amsterdam.

Reporting to the Accounting Manager and supervising a small staff, the successful candidate will be responsible for a variety of accounting tasks and special ad-hoc assignments. Limited European travel will be required.

Candidates, qualified accountants in their mid 20's, with 1/3 years' p.q.e. should have the ability to adapt rapidly in an international environment and will be given the opportunity to take over from the Accounting Manager within 12/18 months.

For further details of this appointment and a personal history form please write to Neville Mills A.C.I.S. or Lindsey Pratren B.A. quoting reference 2336.

### Douglas Llambras Associates Ltd.

Accountancy & Management Recruitment Consultants,  
410 Strand, London WC2R 0NS. Tel: 01-836 9501  
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101  
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744



## GILTS

London

up to £8659

The Pension Funds Department, within the Finance Division of British Gas Headquarters, requires an experienced man or woman, principally to assist in the management of a large Gilt-Edged, Industrial Fixed Interest, and cash deposit portfolio. There will also be scope for the successful applicant to become involved in other areas of investment.

Candidates should have a relevant degree, or a professional qualification, and a minimum of 2-3 years' experience in an investment environment.

Salary: within the range £6882 - £8157 plus £502 Inner London Weighting plus current self-financing productivity payment.

Please write with full details of age, experience, qualifications and current salary, quoting reference F 016901 FT, to the Personnel Manager, HQ, British Gas, 59 Brynston Street, London W1A 2AZ. Closing date for applications 25th January 1979.

BRITISH GAS

## EUROMONEY

Euromoney Publications Limited

is looking for a financial journalist/economist to join the young and capable team working for this very successful monthly magazine. Experience of international capital markets/currencies useful. Salary according to experience. Please write or telephone: Richard Ensor, Euromoney, 20 Tudor Street, London, EC4. Tel: 01-353 0841.

## Managing Director

We are internationally recognised as a leading supplier of capital equipment, including furnaces for the steel, non ferrous and chemical industries. Our present Managing Director is retiring shortly and we require a person to take over from him during the course of the next two years.

The person appointed will already have wide experience in the management, engineering and sales fields and will be responsible for carrying out major contracts from inception to completion. Salary circa £20,000 together with the usual benefits commensurate with such a position. Applications together with C.V. to Box A.6603, Financial Times, 10, Cannon Street, EC4 4BY.

## CHIEF ACCOUNTANT

Chief Accountant required by a Group of Private Companies in Essex engaged in the wholesale and retail meat trade.

This post involves the preparation of monthly management accounts and annual accounts, together with the supervision of all accounting and related administrative functions. The commencing salary envisaged is circa £7,500 p.a. A company car will be provided and there will be participation in the Company Pension Scheme after a probationary period.

Please write with full personal details and C.V. to C. H. C. Rumford Chambers, 33, Market Place, Romford, Essex, RM1 2AB, reference P.M.



## An exceptional opportunity in international merchant banking

Bank of America International Limited is offering an exceptional career opportunity to a merchant banker with experience in international corporate finance—specifically in mergers and acquisitions. A proven record of ability is more important than age. Although London based, this senior post will involve international travel, consequently proficiency in at least two or more languages would be a distinct advantage.

Remuneration is negotiable and will fully reflect the importance and scope of this key position.

Applicants should write in confidence to Eduard Will, Director responsible for International Corporate Finance.

# BANK OF AMERICA International Limited

St Helen's, One Undershaft, London EC3A 8HN.

## Young Chartered Accountant

Putney

c.£7500

ICL's rapid growth continues. 1978 saw turnover up by 22% to over £500 million and we expect to continue our success.

Following recent promotion, we are seeking to recruit a qualified Accountant to join the Chartered Accountant's Department to help develop worldwide procedures for statutory reporting and provide functional guidance on all accounting matters to operating units.

The man or woman we are looking for will be an ambitious and successful young qualified Accountant with the drive and ability to progress in a demanding and stimulating environment. He or she will have a good knowledge of statutory accounting requirements and ideally experience of major international groups.

This is an excellent career opportunity with a major and fast-growing worldwide group. As well as a competitive salary we offer first-rate benefits, including eligibility for our 1979 Productivity Bonus Scheme.

For further details please write to Katie Lawrie, ICL House, Putney High Street, London SW15 1NW. Or ring her on 01-878 7272 ext. 2645. Please quote reference: FT 1165.

## International Computers

think computers—think ICL



## INVESTMENT MANAGER AND ANALYST

European Equities

Fidelity Management and Research (UK) Ltd, the London affiliate of the Boston-based Fidelity Management Group, seek an Investment Manager/Analyst to cover the main European markets. The requirements for a man or woman with several years' direct experience in the analysis and/or management of European Equities on behalf of an institution. Experience in the bond markets would be helpful but is not essential. Candidates should have a university degree or other relevant professional qualification, and it is likely that they will be presently employed by a stockbroker, a merchant bank, or by an investment or unit trust group or by an insurance company (though this is not a requirement). Some knowledge of French is essential; German would be an advantage.

The Fidelity Group manages approximately \$6 billion of investments on a wholly international basis, and this is an opportunity to join this major firm at a time when it is actively developing its London and European business.

The successful candidate will probably be aged between 25 and 40. An attractive compensation package, to include five-figure salary, bonus, pension and other fringe benefits, is wholly open to negotiation.

Applications, which will be treated with the strictest confidence, should be submitted to: Colin Leach, Fidelity Management & Research (UK) Ltd, 64 Cannon Street, London EC4N 6AD. (Tel: 01-248 4891)

FIDELITY MANAGEMENT (UK)

## Financial Analyst

London, W1

A Financial Analyst is required to join the London based Head Office of a major British chemical company, operating world wide.

Reporting directly to the Chief Accountant of the Group he/she will assist in the development of accounting policies and procedures throughout the Group and in the U.K. and overseas.

The scope of this post will interest

Applications in confidence quoting ref: 6941 to B. G. Loxton, Mervyn Hughes Group, 2/3 Cursitor Street, London EC4A 1NE. Tel: 01-404 5801.

**Mervyn Hughes Group**

Management Recruitment Consultants

chartered accountants probably with a degree, in their mid-twenties and with several years industrial experience.

There is a requirement for innovation and the job provides an excellent opportunity for career development.

Fringe benefits are those one would expect from a successful international group.

## DEPUTY CHIEF ACCOUNTANT

Lancashire  
Circa £9,000

Our client, a major engineering company with an enviable growth record and part of a successful group, wish to appoint a Deputy Chief Accountant. This is a first class career opportunity with an early promotion prospect to Chief Accountant. The position is a new one affording considerable scope to make a significant contribution to the development of accounting practices in the Company.

The ideal candidate will be a Chartered Accountant, aged 30 to 40 with 4 to 5 years industrial experience in an engineering environment, embracing all aspects of accounting, with a bias towards Costs and Management Accounting. Applications from qualified A.C.M.A.s whose experience has been gained in an engineering assembly environment and includes 2 to 3 years financial accounting will be given equal consideration.

The company can offer first class career development, together with an attractive benefits package, including pension, free life, assisted B.U.P.A., generous sickness benefits and relocation costs where appropriate. Would interested candidates please write or telephone for an application form to:

Bryan Greenwood,  
The John Dalton Partnership Ltd,  
38, Houghton Street,  
Southport,  
Telephone Southport (0704) 38776

**THE DALTON PARTNERSHIP**  
Management Selection & Recruitment Consultants

SUBSTANTIAL PUBLIC COMPANY

## Financial Director

c.£8,000

Car and usual fringe benefits

A substantial public company in the leisure, retail and distribution business requires a qualified and experienced Financial Director for one of its subsidiaries. Based in London, and with a turnover of some £7 million. The post has great potential. The person joining us will have had previous experience: please write giving full details of this experience including your current salary and your age to: Write Box A.6587, Financial Times, 10 Cannon Street, EC4P 4BY.

هكزا من الجهر

PA

## PA International

### Divisional MD Designate

Engineering  
to £25,000

The top executive appointment in a large division of a diverse industrial group will become vacant within the foreseeable future. It is considered sensible therefore to start the search for a successor. This appointment will be part of the strengthening of the management team immediately below main board level. Applications are invited from general managers with successful profit records in medium to large companies within an engineering or hot metal forming industry. They should

have an honours degree or equivalent qualification in engineering and, ideally, have come up through the sales and marketing function with a good understanding of production. A wide commercial outlook and creative ability is essential. The top limit on age is likely to be 48. Salary is negotiable within the range £20,000 to £25,000. Reply to: PA Personnel Services Ref: GM27/6711/FT.

### Group Financial Controller

Capital goods  
c. £15,000 + car

This is an opening with a young, rapidly growing group for a person with a strong track record in financial management in its broadest sense. Formed five years ago, the group now has a turnover of over £3m and manufactures a range of advanced equipment which is marketed worldwide. The Financial Controller will join the small central team whose task is to create and manage growth. The person appointed will be responsible to the Managing Director for the financial aspects of the business, including its forward plans and

the control of current operations. The company style is sophisticated, informal and driving. Candidates, probably in their mid-thirties, should be graduates with an accountancy qualification and must demonstrate success in a similar role, perhaps in part of a larger group. Salary will be negotiable around £15,000 with a car and relocation to the Home Counties where appropriate. Reply to: PA Personnel Services Ref: AAS1/6725/FT.

### Managing Director

Light engineering products

Due to the impending retirement of the Managing Director, a vacancy will shortly arise for this post. The company, which is long-established, is part of a Midlands engineering group and currently manufactures and markets a very comprehensive range of castors for industrial and consumer outlets. The Managing Director will direct and control the business performance of the company which employs approximately 180 people on two sites in the West Midlands, the turnover of which is running at around £3 million per annum and considerable future expansion is envisaged.

Reporting to the Group Managing Director, the successful candidate will be closely involved with the development of group policy as part of the executive team. Candidates should be qualified engineers with considerable experience in the control of production, possessing a sound understanding of modern marketing techniques and previous involvement with computer-based systems. Salary commensurate with responsibilities. An executive car is provided and future prospects for further advancement are excellent. Reply to: PA Personnel Services Ref: GM52/6729/FT.

### Financial Controller

to £10,000 + car

An engineering company in the Midlands, manufacturing capital goods, with a turnover in excess of £10m and a large group, requires a Financial Controller due to the pending retirement of the present Finance Director in mid-1979. Candidates must be qualified Accountants with

relevant experience and should be able to demonstrate a capability for the introduction of modern accounting and costing systems. The preferred age is mid to late 30s. Reply to: PA Advertising Ref: 1/53754/FT.

### Reply Procedure

Unless specifically stated all these appointments are open equally to men and women.

### PA Advertising

Initial interviews are conducted by our clients unless otherwise stated. Please send comprehensive career details to PA Advertising, quoting the reference number on the envelope. Replies, which should not refer to previous correspondence with PA, will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent.

Hyde Park House, 60a Knightsbridge, London SW1X 7LE  
Tel: 01-235 6060 Telex: 27874

### PA Personnel Services

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

## Commercial Lawyer

Preferred age 28 - 30  
London, to £9,500

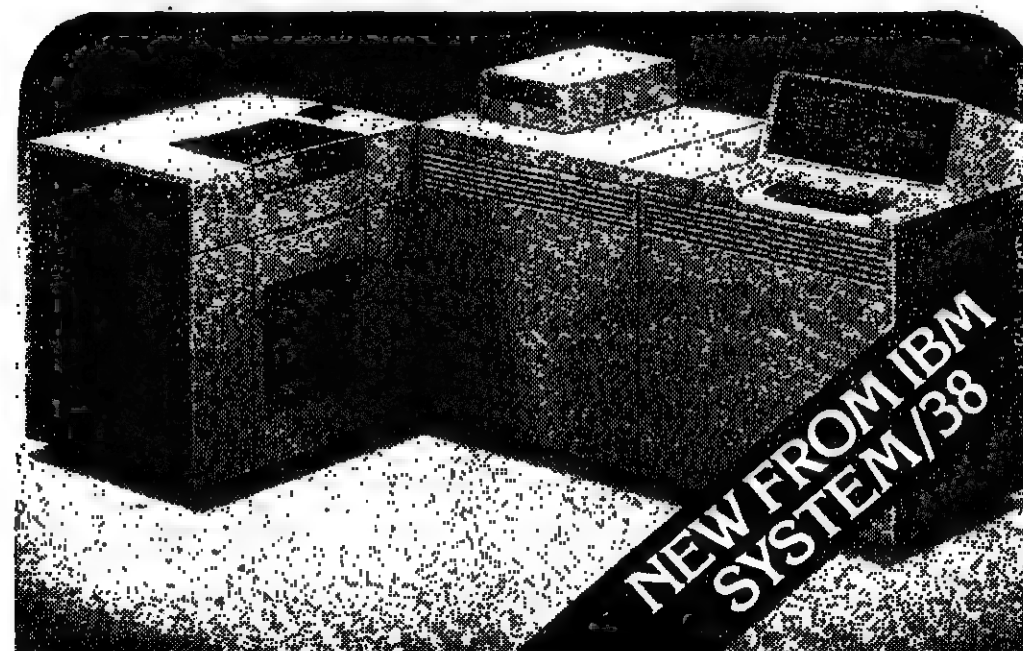
Our client is a major multinational company with an outstanding profit record, engaged in the manufacture, sale and lease of business equipment and supplies. A vacancy exists within the small professional team in London which advises group management on legal matters, and also co-ordinates the work of legal departments of operating subsidiaries world-wide. The successful applicant will be concerned primarily with the legal aspects of contracts, pricing, and trade practices generally.

H.W. FitzHugh, Ref: 20091/FT

Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ

**Hoggett Bowers**  
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE AND SHEFFIELD



## Now you can grow even further with our smaller computers

Smaller computers are growing rapidly to meet the increasing demand for flexible and cost-effective computing: the sort of computing that almost any commercial or industrial organisation—however small—can both afford and accommodate.

Their sales potential is enormous. Our General Systems Division was specifically created to realise this potential. Last year we turned in our best sales performance ever—thanks to the success of our System/34, Series/1 and 5110. And now with our newest arrival the remarkable System/38 we have greatly increased the scope for both our sales and your career.

So come and grow with our smaller computers.

We're now looking for logical, self-motivated men and women—ideally graduates with sound sales, professional or commercial experience—to train as

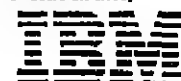
### MARKETING REPRESENTATIVES.

Our continual training will build on your own experience and acumen to give you the expertise necessary to identify data handling problems and propose cost-effective solutions. We'll provide all the management and marketing support you need—and our sales success offers excellent scope for career progression.

High earnings are directly linked to personal performance, and will be supported by an employee benefits package which we believe to be among the best in industry today.

Right now we have opportunities in most parts of the UK.

Please write, with full career details, to: Ms. Julie Mohamed, IBM United Kingdom Limited, 28 The Quadrant, Richmond, Surrey, TW9 1DW, quoting ref: FT/93763





## GROUP PLANNING ACCOUNTANT

London EC2 Banking to £10,000+ major benefits

Reporting to the Head of Finance, the Accountant will assume responsibility for financial accounting standards throughout the group, monitoring performance reports and statistics, and undertake financial planning exercises. The division makes extensive use of time sharing systems which are being continuously developed.

The central division of a well established and highly profitable banking group, our client is expanding rapidly into new areas of finance. Applicants (male or female) should be qualified accountants under 30, with proven expertise in the techniques of accounting and taxation. Please telephone or write to Stephen Blaney, B.Com., ACA quoting reference 1.1765.

EMA Management Personnel Ltd.  
Burne House, 88/89 High Holborn, London, WC1V 6LR  
Telephone: 01-242 7773

## Director-General National Federation of Building Trades Employers

A Director-General is being sought to take over from the present occupant of this important post on his retirement in June 1979.

The Federation is one of the largest and most influential Employers' Organisations in the country, and its importance in the Construction Industry is paramount. It has a permanent staff throughout England and Wales approaching 400 in number, a considerable proportion of whom are highly qualified. It operates through ten Regions and some two hundred Local Associations. There are over 11,000 member-firms and they range in size and importance, not only from the largest National Contractors in the country to the smallest, but also, in the type of activity they undertake, from general contractors through specialist sub-contractors, scaffolding contractors and other employers of building trades labour, to woodworking manufacturers. Apart from the Regional Structure, there are now some fourteen Affiliated Organisations in membership of the National Federation, and this membership is growing.

The Federation plays an active part in International, European/EEC affairs through the Federation Internationale Europeenne de la Construction to which it is one of the largest subscribers, and of which one of its past-Presidents is currently the International President.

The Director-General will be responsible to the Federation's National Council for the general conduct of the Federation's affairs over the whole field of its operations.

administration and general efficiency. The person appointed will be required to lead, and maintain the morale and loyalty of the staff at all levels, of whom a considerable proportion are under the Director-General's immediate control at the London Headquarters; to guide the members in the formation of policy; to play a leading part in the presentation of that policy and of the image of the Federation, to Government, the Confederation of British Industry, the Trade Unions, and the public at large; and generally to control, co-ordinate and direct the whole of the activities of the Federation. The authority that the appointee possesses is commensurate with those responsibilities.

The Director-General will therefore have already made a substantial impact in industry, commerce, one or other of the professions, or in public life generally. The preferred age will be about 45 so that it would be anticipated that the appointee might have 15-20 years of active service ahead in the post. It is most likely that a legal or other similar qualification would be an advantage.

Salary, pension arrangements and other benefits will all be of a substantial nature, and will be negotiated with the successful applicant.

Applications with full curriculum vitae should be addressed to Bernadine International, 28 Welbeck Street, London, W1M 7PG, marked for the attention of Sir Robin Chichester-Clark, and should arrive not later than 25th January, 1979.

## Finance and Administration Manager

West London to £10,000+ car

- For a young, highly successful and profitable company making a great impact with its individually-tailored storage systems.
- Now seeking to appoint a qualified accountant, ideally 26-35, to handle all aspects of its accounting, financial control and administration.
- Wishing to place greater emphasis on adaptability, flexibility and the readiness to become fully involved in managing a small, rapidly expanding business than on particular post-qualification experience.
- Prospects are good for the right man or woman, and there is an attractive remuneration package.

Please reply in confidence, quoting U803/FT, giving concise personal, career and salary details to R. G. Billen — Executive Selection

**AMS**

Arthur Young Management Services  
Rolls House, 7, Rolls Buildings  
Fetter Lane, London EC4A 3NL

## Financial Controller

Bucks/Berks Border £9,000+ car

We are seeking a qualified Accountant, 27-40, ACA, ACCA or ACMA, having experience in the day to day control of an accounts department and the timely production of monthly management and annual accounts including consolidation of results for overseas subsidiaries and reporting upon manufacturing costs, ideally for an engineering company.

Reporting to the Financial Director/Secretary, you will be expected to quickly assume responsibility for the entire finance function heading a department nearly fifty strong, using mechanised and computer-based systems. You will have the opportunity of instituting such further routines and reports as are necessary for more effective management control and profitable operation as well as involvement in Company Secretarial activities. A practical, down to earth approach is required as well as the ability to communicate at all levels. The Company is the £20m autonomous subsidiary of a major public group and employs 1400 in the manufacture of precision engineering products sold worldwide. Involvement with overseas subsidiaries will afford the opportunity of foreign travel and there are prospects of promotion within the UK or overseas.

Please write briefly or telephone for an application form, quoting ref: 530

**Management Personnel**

Recruitment Selection & Advertising Consultants  
York House Chertsey Street Guildford Surrey  
GUILDFORD (0483) 64857

City

c. £10,000

## Financial Analyst

Orion is an international investment banking group in the City with six of the world's major banks as shareholders.

Orion Leasing is an integral part of the group and has enjoyed considerable success in the arrangement of "big ticket" tax based leasing facilities on behalf of corporate clients throughout the U.K. and Europe. As part of the continued development a young person, aged 25-30, is required to join the small team to provide numerical support services relating to complex leasing finance computations, including the establishment of computer programme design to supply data for management information.

The ideal candidate should hold a numerically biased degree or relevant post graduate qualification, should demonstrate proven experience in his/her initial areas of responsibility, must think in numbers and must be able to relate his/her activities to the marketing efforts of the Leasing team.

Career prospects are excellent for progression into the marketing activities or within other areas of the investment banking group.

First-class fringe benefits include preferential house loan facilities at 2½% interest per annum and, together with an attractive salary, reflect the importance of the position.

Applications, which should be accompanied by a curriculum vitae, will be treated in strict confidence and should be addressed to:

The Personnel Manager,  
Orion Bank Limited, 11 London Wall, London EC2Y 5JX  
Tel: 01-600 6222

ORION

A NATIONAL NEWSPAPER

requires

## FINANCIAL ADVERTISEMENT EXECUTIVE

Do you know which is the largest public company in the UK?

Are you at home with Bulls, Bears and Stags? Do you understand the function of The City and The Stock Exchange?

If you know the answers to our questions, and want to:

1. Earn a high basic salary up to £7,000 p.a.;
2. Earn an additional monthly performance bonus;
3. Work in a highly competitive field;
4. Work in the highly charged atmosphere of Fleet Street;
5. Have total involvement with your own operation,

you may be the person to represent our financial section at director level.

Do you think you can match up to our requirements? If so, send brief curriculum vitae to:

Box A6583, Financial Times  
10 Cannon Street, EC4P 4BY

## Group Accountant SAGA HOLIDAYS LTD.

Saga Holidays Ltd., a listed Company, is a major travel operator with its own expanding Hotel Division. The Company has an enviable track record and a current turnover in excess of £20m.

An unusual opportunity has arisen for a qualified Accountant to strengthen the young management team. The successful applicant will be responsible for the complete final function, controlling a staff of 55, and reporting to the Company Secretary. He or she should be able to demonstrate considerable experience in controlling the accountant operations of a large company in a fast-growing environment, preferably in a service industry.

Applicants must be qualified F/ACA and the preferred age range is 30-40. The salary will be commensurate with the importance of this post. A Company car is provided and the remuneration package includes a non-contributory pension scheme and free life insurance. The Company offices are located in 27 acres of attractive grounds close to the sea.

Please write with full curriculum vitae in confidence to:  
P. C. De Haan, ACA, Company Secretary,  
SAGA HOLIDAYS LTD., ENBROOK HOUSE,  
FOLKESTONE, KENT.

## Business Development

LATIN AMERICA

Atlantic International Bank is seeking a business development officer to administer its Latin American portfolio and to further develop this and other areas.

Candidates will probably be over 30 and should have sound credit analysis and client contact experience. Knowledge of South America and of Spanish would be an advantage.

An attractive salary is offered with valuable additional benefits.

Please write in strict confidence, quoting reference BD/1 to:



David Williams,  
Atlantic International Bank Limited,  
65-66 Queen Street,  
London EC4R 1EH.

## FOREIGN EXCHANGE DEALER

London branch of major European bank requires Foreign Exchange Dealer with 2 to 3 years dealing experience and preferably some knowledge of FX back up procedures and/or general banking. Some knowledge of French desirable, but not essential.

Salary to be negotiated, plus usual benefits. Applications giving brief details in writing to Box A.6593, Financial Times, 10, Cannon Street, EC4P 4BY.

## Director & General Manager

### Consumer Products

This new appointment, with an immediate directorship, is to strengthen the management of a small but profitable and fast-growing consumer products distribution company in North London.

Turnover is currently approaching £1.5m. As well as distributing the parent group's products—which bear a long-established and famous name—the company handles a wide-range of complementary factored products.

The main tasks will be to strengthen administration and the field sales organisation. Relevant experience of small scale profit-centre management is thus essential, preferably with an earlier sales/marketing training with a larger company.

Age: late 30's to late 40's.

Salary is for negotiation around £12,000 plus car and normal benefits.

Please send brief details—in confidence—to W. A. Griffith ref. B.23518.

This appointment is open to men and women.

United Kingdom Australia Belgium Canada  
France Germany Holland Ireland Italy  
New Zealand South Africa South America  
Sweden Switzerland U.S.A.

**MSL**  
International Management Consultants  
Management Selection Limited  
17 Stratton Street London W1X 6DB

## Project Finance Manager

5 figure salary negotiable

to join a leading City institution which is now developing its involvement in project finance. Current activities cover a comprehensive range of projects including industrial lease-backs, plant leasing, stock financing, turnover related loans and various types of equity participation.

The appointment carries the responsibility for generating investment opportunities, their negotiation, appraisal and presentation to directors for approval.

Candidates, men or women, should be accountants, preferably with a merchant banking background, but with some executive industrial experience. A knowledge of investment appraisal and modern financing techniques is essential.

The post is located in the City and will carry a 5 figure salary negotiable depending on the individual.

Please telephone (01-629 1844 at any time) or write—in confidence—in the first instance for a personal history form. R. L. H. Whitney ref. B.1127.

United Kingdom Australia Belgium Canada  
France Germany Holland Ireland Italy  
New Zealand South Africa South America  
Sweden Switzerland U.S.A.

**MSL**  
International Management Consultants  
Management Selection Limited  
17 Stratton Street London W1X 6DB

## Corporate Finance

Development of the corporate finance operation of a leading international investment bank, prominent in the Eurodollar bond market, gives rise to this new appointment. The successful candidate will join an expanding team engaged in mergers and acquisitions, equity linked financing and other corporate financing matters and will be directly responsible to an executive director.

Applicants, preferably aged 28 to 33, must be solicitors or chartered accountants and should have obtained not less than 3 years' experience of corporate finance with a leading merchant bank.

Salary will be negotiable at around £12,000 and attractive fringe benefits are available. There will be excellent prospects of advancement for the successful candidate.

Please send relevant details—in confidence—to P. Hook ref. B.26422.

This appointment is open to men and women.

United Kingdom Australia Belgium Canada  
France Germany Holland Ireland Italy  
New Zealand South Africa South America  
Sweden Switzerland U.S.A.

**MSL**  
International Management Consultants  
Management Selection Limited  
17 Stratton Street London W1X 6DB

### CREDIT ANALYST

Progressive consortium bank, specialising in Latin America, seeks a self-motivated Credit Analyst to join their dynamic team. Proven ability within an international bank or stockbroker is essential and knowledge of an appropriate language would be advantageous. Highly competitive salary in excess of £7,500 + excellent benefits package. Telephone Brynne Emmerson-Fish, ALBANY APPOINTMENTS (Executive Consultants), 32 Beetham, London EC3, 01-222 7891

### CAREER OPPORTUNITIES WITH SAVE & PROSPER

Save & Prosper is one of the country's leading financial services organisations—see our advertisement on page 3. If you would like full training for a rewarding career with this growing company, please phone

The Sales Personnel Manager on 01-534 8899

### MAJOR U.S. COMPANY

With offices processing plant in Caribbean, needs a general manager for the total operation. Successful candidate must have advanced administrative skills and broad experience in sales and marketing. Extraordinary career opportunity with fine family living and climate conditions. English speaking. Write: Box A.6588, Financial Times, 10, Cannon Street, EC4P 4BY.



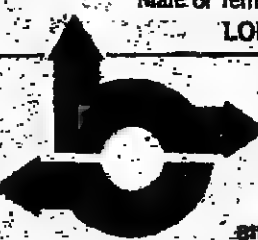
**Senior Management Accountant**

Capital Goods - Costing

N. West, to £11,000 + car

This position requires a qualified accountant highly experienced in cost and budget accounting applied to medium/large capital goods. The client is a major manufacturer of capital goods, respected in its industry, and employs in excess of 1500. It forms part of a worldwide engineering group. Manufacture varies from special 'one-off' designs to small batch production. Reporting to the Financial Director the incumbent will take full control of cost and budget accounting with around 15 staff. Responsibilities will include control and revision of 5 year plans and the general development and up-dating of financial control systems. Future prospects are excellent and generous benefits include relocation aid.

G.E. Forester, Ref: 18191/FT.  
Male or female candidates should telephone in confidence for a Personal History Form to:  
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.


**Hoggett Bowers**  
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

**MANAGING DIRECTOR**

for an important operating company in the Acrow group.

The successful applicant must have a record of past achievement and be prepared to build the company in accordance with agreed policy.

Age probably in the bracket 40/50.

Job satisfaction will be high. Within an international group which already has a turnover of around £150 million in a wide range of construction and general engineering activities.

Apply in confidence to

W. Jack,  
Group Managing Director,  
Acrow Ltd.,  
8 South Wharf Road,  
London, W2.

GROW WITH

**ACROW**
**Corporate Loans Executive**

c £9,000

West End

Our client, the London representative of the largest Canadian non-banking financial institution, requires a Corporate Loans Executive. Candidates of either sex, aged around 25, with a University degree and/or a Financial/Banking qualification, must have gained experience in the administration of shipping and corporate lending.

The Corporate Loans Executive, as a member of a small, highly motivated team, will be responsible for credit

analysis and the evaluation of the requirements of existing and new clients, and the administration of the International Division's portfolios. The successful candidate must be positive, energetic, and a good administrator able to communicate at all levels and prepared to travel.

The company offers excellent prospects for career progression; good benefits include a performance bonus, contribution to BUPA, four weeks holiday, etc.

Applications in confidence quoting ref: 8340 to B. G. Luxton,  
Mervyn Hughes Group, 2/3 Cursitor Street, London EC4A 1NE.  
Telephone: 01-404 5801.

**Mervyn Hughes Group**

Management Recruitment Consultants

**Treasurer/Finance Executive**

AMSTERDAM

£15,000+

N.V. Indivert, a small multinational high technology company seeks a Treasurer/Finance Executive for its Head Office in Amsterdam.

Indivert operates thirteen companies in seven countries (Europe, North America and Singapore). Primary emphasis is on turbine and tooling related work for the engineering industry.

The appointee to this new position will be one of a small head office team and will report directly to the President.

Candidates are likely to be in the 30-40 age range with a strong financial background (C.A. or M.B.A.). A minimum of four years experience in a multinational environment is required. Candidates should be familiar with international and U.S. accounting standards, and have experience in such areas as umbrella credits, venture capital financing, export credit insurance, and banking relationships generally.

The position is an exciting one in a fast growing but small (sales U.S. \$85 million) company. Location is the centre of Amsterdam and the position requires frequent travel. Language English but familiarity with other European languages, particularly German, would be an advantage.

Remuneration will be from £18,000 plus other benefits.

Please write, quoting reference FE/EX/17, giving full details of education, qualifications and experience to:

Michael Berger F.C.I.,  
Executive Resources International (U.K. office),  
87 Jermyn Street, London SW1Y 6JD.  
All applications will be acknowledged.

**Reed Executive**

The Specialists in Executive and Management Selection

**Financial Director**

North of England

to £18,000 + car

This dynamic highly profitable Group is one of the leaders in its field and is poised for a further phase of rapid expansion. The person appointed will actively participate with the Board in increasing profitability and expanding the Group as well as taking responsibility for the accurate financial control of the Group. Applicants must be qualified accountants, preferably in their mid 30's with a degree, who are currently holding a key position in a well managed industrial company. They must also be profit orientated and have a good sense of business acumen.

Telephone 0532 459181 (24 hr. service) quoting Ref: 3217/FT. Reed Executive Selection Limited, 24-26 Lands Lane, Leeds LS1 6LB.

The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

هكذا من النجول

**Financial Economist**

Bank of America, the world's largest international bank, is seeking an experienced professional for its expanding economics department at the City headquarters of the Bank's Europe, Middle East and Africa Division.

The successful candidate will be responsible for providing advice to the Bank's management and its major corporate clients in the area of monetary and currency economics. This involves close participation in the Bank's business development and market-related activities.

Applicants should be graduates ideally with 5 years experience in analysis and interpretation of economic and political developments and in forecasting foreign exchange rates and other financial indicators, preferably in a corporate, governmental, or financial environment.

Excellent career development opportunities exist within the Bank. Salary will reflect experience and qualifications, and other benefits are in line with best banking practice.

Write in strictest confidence with full personal, salary and career details to: Egil Kruse-Kempen, Director, Economics, Bank of America NT & SA, International Financial Centre, 1 Watling Street, London, EC4P 4BX.



BANK OF AMERICA

**DEALER**

Middle East based International Bank in the City requires a Forex dealer. Salary c. £7,000 plus usual benefits. Apply Box A.6593, Financial Times, 10, Cannon Street, EC4P 4BT.

**BANKING APPOINTMENTS**

Corporate Finance Executive	From £15,000
Project Finance Executive	To £15,000 + Car
Eurobond Sales Executive	To £15,000
Eurobond Investment Manager	To £15,000
Institutional Sales (German Market)	To £15,000
Systems Manager	To £15,000
Business Development	To £15,000
International Investment Analyst	To £15,000
Lending Officer	To £9,000
U.K. & U.S. Institutional Sales	To £8,000
Credit Analysts	To £8,000

All the above positions with the exception of the Corporate Finance Executive are based in the City. The latter is based in Germany. Apart from those listed above we have many exciting vacancies in Banking. If you are contemplating a career move and need assistance please contact us so that we may arrange an informal discussion.

Please reply in the first instance to A. Innes.

**Malcolm Hudson & Partners**

Management and Executive Recruitment Consultants

29/31 Mire St. London EC3. Tel: 01-283 1954 (6 lines)

**ACCOUNTANT**

C £11,000 +

Mortgage Allowance

The Canada Life Assurance Company requires a professionally qualified Accountant to be responsible to management for the Company's accounting operation in the U.K. and Ireland.

This is a senior position and applicants should be aged 33-43 years, preferably having had experience within the Life Assurance Industry.

Responsibilities will include: Financial reporting to Management, preparation of statutory accounts, Unit Trust and Investment accounting, internal audit and taxation.

Salary is negotiable depending on experience and in addition to a mortgage allowance other benefits normally associated with a leading life office are available.

Please write or telephone in confidence giving career details to:

M. R. COLETT, PERSONNEL MANAGER, THE CANADA LIFE ASSURANCE COMPANY, CANADA LIFE HOUSE, HIGH STREET, POTTERS BAR, HERTS. EN6 5BA.

TELEPHONE NO. POTTERS BAR 51122

**Regional Treasurer**

(re-advertisement)

Salary scale within the range of £12,314-£16,879

Due to the retirement of the present holder (Mr. R. Brinley Codd) this post will become vacant in May, 1979.

The South East Thames Regional Health Authority, with five Area Health Authorities, provides health services for a population of 3.6 million and has a revenue budget in excess of £80 million and a capital budget of £24 million.

Candidates (male/female) must be professionally qualified, capable of formulating financial policy, with extensive experience of financial management at a senior level, in the National Health Service, in the Public Service elsewhere or in the Private Sector. Further particulars and application forms are available from the Personnel Officer, South East Thames Regional Health Authority, Randolph House, 44-48 Wellesley Road, Croydon CR9 3QA. Please quote reference number 907.

Completed application forms must be returned to the Chairman of the Authority at the above address to arrive not later than 26th January, 1979.

South East Thames Regional Health Authority

**CREDIT ANALYST**

Due to expansion in our lending area we have an opening for a credit analyst who will join a team of analysts who provide support for our international lending activities.

The successful candidate will be aged 23 to 27, with a degree or other suitable professional qualifications, one to two years' experience in credit analysis, preferably obtained in an international bank. Initiative and the ability to assume early responsibility are important qualities.

Salary is negotiable plus usual fringe benefits associated with banking employment.

If you are interested in this position, please write enclosing a curriculum vitae or telephone for an application form to

Miss G. Bock,

FIRST NATIONAL BANK IN DALLAS  
60 Aldermanbury, London EC2V 7JT  
Telephone: 01-606 9111

ADMARC—MALAWI

**Company Secretary (Designate)**

A vacancy exists in the above senior post due to the pending retirement of the present Company Secretary early in 1979.

Responsible to the Executive Chairman (The Corporation's Chief Executive), the Company Secretary is based at the Limbe head office. The successful applicant will be required to take up his appointment as soon as possible this year in order to facilitate a smooth eventual assumption of the Company Secretary's duties and responsibilities which are as normally found in such organisations.

The Agricultural Development and Marketing Corporation (ADMARC) is a statutory body set up by His Excellency The Life President and charged with the responsibility of purchasing, processing, selling and exporting agricultural products grown by small-holder farmers. Annual sales last year exceeded MK56 million and at season peak some 18,000 persons are employed.

Essential requirements of applicants are: Corporate membership of The Chartered Institute of Secretaries (UK), good health, extensive relevant experience, pronounced business acumen, sound communication know-how and a positive interest in the training and development of Malawian staff. Desirable requirements are: F.C.I.S. and/or LL.B., aged between 40 and 50.

An attractive salary, commensurate with this senior appointment is negotiable but will not be less than MK14,000 per annum (MK1 = approx. £0.8191 at 3.1.79). Plus fringe benefits including generous and of contract paid leave, return fares for employee, wife and dependent children, educational allowances, furnished housing at subsidised rent, gratuity of 25 per cent of total emoluments paid during contract (at present paid free of tax) etc. etc. Contracts are normally of 30 months duration and renewable where appropriate.

Malawi enjoys a warm, sunny climate and below-average taxation and cost of living. It is an energetic country with exciting development taking place—with the Agricultural Development and Marketing Corporation in the forefront.

Please apply by airmail before 31st January 1979 and in complete confidence enclosing curriculum vitae to:

The Personnel Manager,  
ADMARC,  
P.O. Box 5062,  
Limbe, Malawi.

Short-listed applicants will be interviewed in London or Limbe.

**Managing Director**

East Midlands £15,000+

Our client is a major mechanised foundry company, part of a public engineering group.

There will be total responsibility for the management of this company to achieve increased profitability and a major expansion in sales and marketing activity.

It is essential to have held a senior executive appointment, preferably with total responsibility for a foundry operation and with a proven record of achieving growth and profitability.

Initial salary is negotiable to £15,000 plus bonus related to profitability and other fringe benefits.

Please apply, in confidence, for application form, to D. G. de Belder, Knight Wegenstein Ltd., 75 Mosley Street, Manchester M2 3HR, tel. 061-236 0987, quoting Ref. 68199.



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Responsibilities will include financial control and general accounting supported by a department of 15, but particular emphasis will be placed on the development of management information systems.

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The remuneration and benefits package is attractive and prospects are excellent within this growing organisation. Please reply in confidence, quoting ref. U804/FT giving concise personal and career details to D. E. Shellard — Executive Selection



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**Director of Industrial and Commercial Development** c.£15,700

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The appointments will be on the basis of an initial five year contract with the possibility of an extension. The development is programmed to extend over a period in excess of twenty years. For all employment law purposes, the appointments will be to the establishment of the Greater London Council. Immediate secondment to the Docklands Development Organisation will follow.

Application forms and further details from the Managing Director, London Docklands Development Organisation, 164-168 Westminster Bridge Road, London, SE1 7RW. Telephone: 01-633 5959.

Completed application forms must be received by 1 February. Please state which post(s) you are interested in.



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£7,000 — £10,000

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Please write to Box A.6600, Financial Times, 10, Cannon Street, EC4P 4BY.



# Monitoring the forecasts

BY DAVID LASCELLES IN NEW YORK

HAVING LAMENTED a short while ago that economic forecasts are seldom, if ever, monitored for performance, particularly in the U.S. where their number and influence are considerable, I now find that someone has done just that.

The business section of the New York Times reports that it asked eight forecasting organisations a year ago for their 1978 predictions for growth in real GNP, industrial production and corporate profits, as well as their estimates for the change in consumer prices and the unemployment rate. Now, under the telling headline "Last year's forecasts: Why so many erred," it matches prediction with fact and concludes that the forecasts "read like a nostalgic collection of unfulfilled hopes and unwarranted fears."

## Not one correct

For the truth is that not a single one of the forecasting organisations was correct on any of these five key indicators. With one exception, the minimum error was 0.3 percentage points and the maximum, whopping 7.7 percentage points. Furthermore, not even the average of all the forecasts was correct. In most cases by quite large margins. For instance, collective best was the prediction of real GNP growth where the average of 8 per cent compared with a final estimate of 3.6 per cent, though predictions ranged from 2.3 per cent to as high as 4.7 per cent. But after that the forecasts got progressively wilder of the mark.

Their average forecasts (with outcome in brackets) were as follows: industrial growth 4.8 per cent (3.6 per cent), rise in consumer prices 6.1 per cent (7.7 per cent), growth in corporate profits 12.1 per cent (13.3 per cent), and unemployment rate 6.7 per cent (6 per cent). Admittedly 1978 was a notoriously unpredictable year, mainly because of what happened to the dollar, but surely the chances of one forecast being correct on just one indicator should have been greater than this. However, rather than go on to argue the futility (harmfulness even) of forecasting, it might be better to take a quick look at how these forecasts were and how they went wrong, because these

# A lone lady triumphant

THE CHRISTMAS recess of the courts provides an opportunity to take a look at some of the more interesting recent developments which were crowded out of this column in December.

First of all one should applaud Miss Miriam Nollman, a mathematics teacher of Barnet, for not only advancing the cause of women's equality before the law, but for doing so in defiance of legal advice and fighting her case unaided all the way to the House of Lords.

It is thanks to her alone that on December 13 the Law Lords, by a majority decision of 3 to 2, ruled that women over 60 are not automatically barred by statute from claiming compensation for unfair dismissal where the normal retirement age for the job is 65. The case will now return to the Industrial Tribunal where it started when Miss Nollman complained that she was unfairly dismissed by the London Borough of Barnet in 1976, when her age was 61.

Miss Nollman's victory makes it crystal clear that the highest judges of the land are always ready to listen to the plain language of the unaided "litigant in person."

The willingness of judges to listen and assist is no less evident when the Court of Appeal is addressed by litigants much less able than Miss Nollman, whose mathematical training must have proved invaluable in view of the contorted drafting of most UK statutes.

It is a pity that the Royal Commission on Legal Services has already completed the taking of evidence, and will thus not be able to take account of the case of this mathematics teacher, who remained undeterred by the Law Society's warnings of the perils lying in

## BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

wait for those who dare to do the simplest legal business for themselves.

AT ABOUT the same time as the House of Lords' decision on the 1974 Trade Union and Labour Relations Act which caused so much trouble to Miss Nollman, Professor Gerd Pfeiffer, President of the German Federal Supreme Court (BGH), used the opportunity provided by his inaugural lecture at the extramural university of Hagen to complain of the uncertainties of German competition law.

Numerous provisions of the Competition Act, said Professor Pfeiffer, make it quite impossible for businessmen to assess whether their acquisitions or behaviour in the market are within the law or outside of it. This uncertainty is now being experienced by British Petroleum over its acquisition of a 25

per cent stake in Ruhrgas. It has also left Guest, Keen and Nettlefold with some bitter memories over its failure to obtain from Dr. Pfeiffer and his brethren on the Cartel Bench of the BGH, an approval of its acquisition of Sachs.

The difficulties of foreseeing

how the BGH will interpret German merger rules was acknowledged by that court in the GKN/Sachs case by reducing the "value in dispute" (on which an important proportion of the legal fee is calculated) from DM 100m to DM 50m. Even so, Professor Pfeiffer fears there will not be many who will risk the legal costs involved in taking merger appeals all the way to the BGH. Without such cases there will be no possibility of judicial clarification of the law.

The hopes for further elucidation of German competition law seem slender for other reasons well.

# Royal Mail may be outpaced

WINCANTON, WHICH often manages to attract top-class performers over both hurdles and fences, stages the 2 mile 5 furlongs John Bull Chase this after-

## RACING

BY DOMINIC WIGAN

noon, and the event should be well worth watching.

The nine-runner field includes the 1976 Cheltenham Gold Cup winner, Royal Frolic, as well as good younger chasers in Aidaint, Royal Mail and Ballyfin Lake.

Although the Fred Rimell-trained Royal Frolic remains a very smart chaser at his best, he usually needs top-of-the-ground conditions for this and I shall look elsewhere for the winner.

The most interesting runner in the line-up is Stan Meilor's

ex-New Zealand chaser, Royal Mail. The comfortable conqueror of Flashy Boy in Nottingham's two miles Last Chance Chase early in December, Royal Mail then ran prominently in the King George VI Chase at Kempton on Boxing Day before coming unstuck at the 17th.

I doubt if he would have held off eventual winner Gay Spartan in that race, but he would almost certainly have finished a creditable second had he not made an out-of-character blunder.

Another fine young chaser to have run well in the King George VI Chase was Aidaint. The Josh Gifford-trained gelding, a close third behind Bachelor's Hall and Fort Devon in last season's Hennessy, kept on well to be sixth on Boxing Day after appearing to lose his place about a mile from home.

It is difficult to overlook Ballyfin Lake, in spite of the fact that this exacting race will be his public baptism over the

bigger obstacles. The Uplands eight-year-old improved tremendously over hurdles when tackling distances beyond two miles in the second half of last season and he put up an outstanding performance at Newbury on his last appearance, when falling by three-quarters of a length to give Lighter 7 lbs in the Philip Cornes Saddle of Gold.

In an intriguing event, Ballyfin Lake is taken to outpace the more experienced Royal Mail.

Even if the big race eludes him, Tim Foster should have at least one winner on this popular Somerset track for both Mermoney and Mr. Snowman appeal as likely scorers.

**WINCANTON**  
1.00—Thingummy  
1.30—Mermoney  
2.00—Mr. Snowman\*\*  
2.30—Ballyfin Lake\*\*\*  
3.00—Galilee  
3.30—Dawn Fox\*

Lines, 6.15 Sport West, 6.30-7.00 Music on Parade.

**SCOTTISH**  
9.30 am Adventurous World of Sir Edmund Hillary, 9.55 Chas 10.15

9.30 am Cash and Company, 10.25 Walking Westward, 10.50 Dave's Singalong, 11.15 Percy Throver's Gardens of the South, 11.40 Oscar, 11.55 The Sweet Sugar Doughnut, 1.20 pm News and Sport, 1.45 Scotland Today, 6.30 Garrock Vase, 7.00 The Six Million Dollar Man, 8.00

**SOUTHERN**  
9.30 am Cash and Company, 10.25 Walking Westward, 10.50 Dave's Singalong, 11.15 Percy Throver's Gardens of the South, 11.40 Oscar, 11.55 The Sweet Sugar Doughnut, 1.20 pm News and Sport, 1.45 Scotland Today, 6.30 Garrock Vase, 7.00 The Six Million Dollar Man, 8.00

**TYNE TEES**  
9.25 am The Good Word followed by North Sea News, 9.55 Chas 10.15

**ULSTER**  
10.15 am The Good Word followed by North Sea News, 9.55 Chas 10.15

**WESTWARD**  
9.30 am Cash and Company, 10.25 Walking Westward, 10.50 Dave's Singalong, 11.15 Percy Throver's Gardens of the South, 11.40 Oscar, 11.55 The Sweet Sugar Doughnut, 1.20 pm News and Sport, 1.45 Scotland Today, 6.30 Garrock Vase, 7.00 The Six Million Dollar Man, 8.00

**YORKSHIRE**  
9.30 am Friends of Man, 10.10 Record

**Radio Wavelengths**  
1 102.5MHz/250m 128KHz/750m 2 63.2MHz/435m 107KHz/330m 3 12.2MHz/2.2m 4 20.2MHz/1500m 5 94.2MHz/1500m 6 92.2MHz/1500m

**RADIO 1**  
5.0 am As Radio 2, 7.00 Dave Lee Travis, 9.00 Peter Powell, 11.31 Paul Burnett, 2.00 pm Tony Blackburn, 4.00 Andy Peebles, 5.30 Newsbeat, 5.45 Kid Jensen, 7.30 As Radio 2, 10.02 John Peel (S), 12.00-2.02 am As Radio 2.

**RADIO 2**  
5.0 am News Summary, 5.02 David Allan (S), 7.32 Cricket: Fourth Test (report), 7.34 Ray Munn including Thought (S), 10.02 Jimmy Young (S), 12.15 Waggoners: Waggoners (S), 12.30 Murray's Open House (S), 2.30 David Hamilton (S), 4.30 Waggoners: Waggoners (S), 4.45 Sports Desk, 7.02 Country Club (S), 8.02 Folkies (S), 10.30 Sports Tonight (S), 11.02 Ben Bradshaw including Round Midnight including 12.00 News, 2.00-2.02 am As Radio 2.

**RADIO 3**  
5.00 am News, 5.05 Cricket, Fourth Test, 5.07 News, 5.10 News, 5.15 News, 5.20 News, 5.25 News, 5.30 News, 5.35 News, 5.40 News, 5.45 News, 5.50 News, 5.55 News, 6.00 News, 6.05 News, 6.10 News, 6.15 News, 6.20 News, 6.25 News, 6.30 News, 6.35 News, 6.40 News, 6.45 News, 6.50 News, 6.55 News, 7.00 News, 7.05 News, 7.10 News, 7.15 News, 7.20 News, 7.25 News, 7.30 News, 7.35 News, 7.40 News, 7.45 News, 7.50 News, 7.55 News, 8.00 News, 8.05 News, 8.10 News, 8.15 News, 8.20 News, 8.25 News, 8.30 News, 8.35 News, 8.40 News, 8.45 News, 8.50 News, 8.55 News, 9.00 News, 9.05 News, 9.10 News, 9.15 News, 9.20 News, 9.25 News, 9.30 News, 9.35 News, 9.40 News, 9.45 News, 9.50 News, 9.55 News, 10.00 News, 10.05 News, 10.10 News, 10.15 News, 10.20 News, 10.25 News, 10.30 News, 10.35 News, 10.40 News, 10.45 News, 10.50 News, 10.55 News, 11.00 News, 11.05 News, 11.10 News, 11.15 News, 11.20 News, 11.25 News, 11.30 News, 11.35 News, 11.40 News, 11.45 News, 11.50 News, 11.55 News, 12.00 News, 12.05 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## THE ARTS

## Norma in Florence and Amsterdam

by MAX LOPPERT

Last month Bellini's masterpiece was being given in two important European opera houses, and, with careful lip-synching, could be seen and heard twice in the space of a few days. The experience was more than just a pleasure, an opportunity greedily grasped to hear work forced, like Verdi's *Hellio*, by the exigencies of its title role to be less frequently performed than its stature warrants. It was a revelation. Two entirely different kinds of Norma performance forced one to consider with new awareness the wonderfully rich and fruitful contrasts within the nature of the opera itself — a tragedy of the (opera) called *Norma*, at once classical and romantic that looks forward to Verdi and back to Gluck, to the tragic lyricism and to the opera seria, a work whose tone of nobility and grandeur expressed in finely controlled vocal writing, is so often diluted into an un-

dramatic and superficial singers' parade. At the Teatro Comunale in Florence, a new production by Riccardo Muti dedicated itself to a fresh, deeply thoughtful, and wholly committed re-examination of the music and the drama. Commitment and dedication informed every aspect of the presentation, and found their focus in the Norma of Renata Scott. At the Amsterdam Stadschouwburg, a revival of Tito Capobianco's staging, several years old, conducted by Richard Bonynge, had Joan Sutherland in the title role; the pleasures that it offered were, by comparison, mostly ephemeral.

One warmed and thrilled to the boldness and the seriousness of the Florence presentation. It seemed to speak of a meeting of like minds—Muti's, Scott's, Ronconi's, the designer Raoul Parolf's—determined to prove that, in the post-Gaillard era a

Norma of elevated tone and high artistic convictions was not a thing of the past. There were things in it to be disagreed with, things to be questioned; but a British spectator, quick to take pride at the broad spectrum and the multifarious achievements of his home operatic scene, came away from it (as he had from the Scala *Simon Boccanegra*, feeling that in our own performances of 19th century Italian opera there are no longer (if indeed there ever have been) any grounds for complacency.

Many strains contributed to the sense of freshness and scrupulousness. For one thing, the conductor had elected to return to the original score, in an edition by Robbins Landon and Von Nagel, divested for the most part of "traditional" cuts (but why the truncated version of the "Guerra" chorus and of the Act 1 trio?), and of alterations to and reallocations of the vocal lines. More important, he had insisted on the originally

planned disposition of the female roles. For the first time in my experience, on record or in the theatre, Norma and Adalgisa were both sopranos. When the young priestess is sounded, not in the rich, glamorous tones of a big-league mezzo-soprano, but in the sweetly virginal timbres of a lyric soprano, the word "revelation" is no hyperbole, but simple fact.

For another thing, the accord between musical, dramatic, and visual styles was of uncommon subtlety, and caught with uncommon perceptiveness at the classical-romantic contrast in the opera. Normally my heart sinks when I discover that yet another producer-designer team of the 70s has shifted the period of an opera from what its librettist intended to that of the work's composition. Here, the result was an "significant" straightjacket upon the music; for the vocabulary of the designs, joining the noble neo-classicism of David (whose austere proportions dominate the lines of both temple and domestic habitation — in Norma's abode Mme Recamier's chaise-longue plays a central part) to the moonlit poetry of Ciceri (the entrance of the Druid priestesses, floating in white, owed much to the sylphs and bayaderes of early Romantic ballet), told of a producer and a designer with sensible ears as well as questioning minds.

The scenes were mostly not just of exceptional poetic beauty, but almost all of functional excellence. Within them, a tone of severe, chaste grandeur warmed by passionate romantic emotion had been discovered by Ronconi—not always a producer to be relied upon for such delicacy of detail, such magisterial manipulation of the "public tableaux," to match the inventiveness of his intellectual ambitions. The first meeting of Norma and Adalgisa was a duet for subtly intertwined gestures and facial expressions as much as for the voices of two subtly eloquent singing actresses. Scott and Marpherta Rinaldi: it afforded some of the most rapt and solemnly beautiful moments I have ever had in the opera house.

On Scott's Nature did not bestow the complete vocal armoury of the born Norma. Vocal amplitude, stamina, hermetic freedom of vocal movement she has had to master for herself, and has done so by dint of the greatest determination, conviction, and courage. Command of Bellinian cantilena, a charged and always sentient utterance of recitative, a supple, vibrant and colourful emission, are qualities she has long possessed. It was a performance

of the role on the highest level, delivered without stint; but strain on the voice was never entirely disguised, and in the last act the unlovely acid in its higher regions acquired a note of desperation. The contrast with Rinaldi's lighter, sweeter-toned timbre (except when she turned hard under pressure) was ideal, as was the gentleness of Adalgisa's playing beside the fire of Norma's. Pollio was Erimanno Mauro, thicker of voice than in his Covent Garden days and rather negative, if not insensitive, of stage presence; Agostino Ferrin, an Italian bass of an excellently straightforward and dignified kind, played Orovoso.

There were times when the unrelenting electricity of Muti's conducting became slightly wearisome, when his tempi began to seem either just too fast or just too slow. Bonynge in Amsterdam had lacked almost all of Muti's energy and ability to draw a keen, cogent, picturesque sound from an orchestra, but he manifested more of the art of "breathing" and moulding the lines along with his singers than the resolute young Italian. Yet, as always, I find the passion and the concern of Muti's music-making greatly admirable in its own right, one cloried all over again in the great instrument even as one was regretting that it had not been given to a more urgent artist.

Amsterdam's Norma, designed by Peter Hall (not our own), is an ugly, tenebrous affair; Norma's dwelling is composed of slabs apparently painted on an off-day by Jasper Johns. While Tourangeau looked, rightly, much younger and prettier than Norma, her mezzo remains peculiar rather than pleasing, with top notes detached from the body of the voice as a sort of conjuring trick. Pollio was Adrian van Limpt, a house tenor of small, tubby stature, comically paired with a tall, staccato heroine. Willard White needs to learn much more about the Italian cantabile style of bass singing, of which Orovoso's music affords so many noble opportunities.

Norma-Adalgisa scene.) But those two-thirds were unnecessary, of seriousness, of conviction, of commitment, of passion—all those terms of description that Florence so fully merited. Rather, it was the prima donna kind of Norma. As such, it was by no means as unhappy as the Covent Garden revival last July, and it reminded one that there is a level of surface vocal show that forms an undeniable subordinate element in the opera's substance and that it never to be scorned when enjoyably managed.

But it was an undramatic show—slow-moving, predictable, and barnacled by tradition. When Dame Joan and Huguette Tourangeau, her Adalgisa, joined hands and then spritzed in a mood of jolly athleticism into the cabaret. "Si, fine all'ore," of their second duet, the moment encapsured with perfect neatness the "other" kind of Norma. And yet—however undramatically employed, and though now clouded by comparison with the radiance of its great days—the Sutherland voice is essentially still a true, a natural, an heroic Norma voice. More than once, as it sailed out above our heads with that sovereign freedom that is an aural sensation all in its own right, one cloried all over again in the great instrument even as one was regretting that it had not been given to a more urgent artist.

## Wigmore Hall

## Paul Sperry

by DAVID MURRAY

The American tenor Paul Sperry devoted his recital on Tuesday to French songs from Couperin to Poulenc, with the distinguished accompanist Dalton Baldwin. As Sperry observed, what would have been Poulenc's 50th birthday has just passed, and Pierre Bernac's is tomorrow: the centre of the recital was properly held by Poulenc's 1937 cycle *Tel jour telle nuit*, with which Sperry's teacher Bernac is permanently identified. The poems of Paul Eluard inspired some of Poulenc's best writing, but none of these powerfully concise and poignant songs is easy. The poise and the thoroughgoing conviction that Sperry brought to them were impressive, and still more the communicative clarity. The surreal lyrics carry a potent charge, but denoting it is the singer's responsibility. Sperry did it with cool intelligence and a fine-drawn line.

The rest of the programme was comparably sophisticated, both in the choice of works and in style of performance. The Couperin group at the outset was limpid and charming, but a set of Roussel songs was memorable. In particular, "Le jardin mouillé" was sustained with the utmost delicacy, and Baldwin touched in its crystalline piano part with perfect tact (in other places he occasionally overbalanced the singer, though never very seriously). Roussel's melodies are sadly neglected, and Sperry is just the singer to champion them. If only other singers are not discouraged by his consummate mastery of the idiom. About the whole evening there was a suggestion of *exercices de style*, but not at all of routine: Sperry's special qualities, ideally suited to his repertoire, make for precise illumination.

## Talk of the Town

## Patti Boulaye

Patti Boulaye is appearing at the Talk of the Town for the next five weeks, courtesy of television. As the supreme winner of *New Faces*, the talent contest programme which often created more interest in the abilities of the artists, she gained instant national recognition.

She faces a tougher audience at the Talk of the Town which is very much a watering hole for bemused wandering tourists who are unlikely to be over familiar with her name, a name transformed from the original Nigerian Ngoni Ebijele following a happy meeting with Evelyn (Bon) Love. But with such a cheerful face, a rhythmic body, and a wide ranging, if slightly shrill, voice she eventually wins through for a victory if not a triumph.

On the opening night there was less energy than expected, a diffidence unusual in such an

experienced stage performer. There was a minimum of chit-chat, hardly any business, and almost an unseemly haste to rush through a set which was too varied to be really effective.

The uptempo numbers like *Shoor Me and Gire Me Some Lorin* came over best, though they suffered from abrupt endings: too much of the remainder of a short set was routine material like *A Kind of Hush* and *Afford—safe and a bit stodgy*. But there is nothing offensive about Patti Boulaye, and when she gets the feel of the place she will probably flower and please.

The preceding revue, *Razle Dazle*, has withered and fails to please. A new spectacle is promised soon and let's hope it is more contemporary: revue at the Talk of the Town seems caught in a 1950s time warp and is now even less interesting than the food.

ANTHONY THORNCROFT



Renata Scott and Agostino Ferrin in the Florence "Norma"

## Cabaret in Berlin by RONALD HOLLOWAY

West Berlin's new *Operetten- und Musicaltheater*, the Theater des Westens, in the heart of the city ("between the Zoo and the Kurfürstendamm") celebrated the New Year with the first musical staged in full splendour in West Berlin. It is true, there's the Komische Oper and the Metropol in East Berlin, with productions of, respectively, *Fiddler on the Roof* and *Grease*. Dolly, but now the tourist visiting the Berlin Wall and the delegates to the Congress will have a place to go at night to rest his bones — and that, apparently, is why the Berlin Senate shipped in DM 7m to restore one of the loveliest, art nouveau houses in the country to its pristine beauty.

Cabaret was, rather prophetically, written for the reopening of the Theater des Westens. Originally constructed in 1896 (the time movies began in Paris and the Berlin Winter-

garten, this elegant edifice witnessed Pavlova dancing on its stage and was the home of the Deutsche Oper Berlin during the post-war period after the city had been divided into East and West. The Theater des Westens is thus a symbol — and what better musical than *Cabaret*? Only a stone's throw away, in a pension on Nollendorf Platz, Christopher Isherwood in the pre-Nazi years was in the process of turning his everyday experiences into Mr. Norris *Changes in Berlin* (1935) and *Goodbye to Berlin* (1939) — these "Berlin Stories" later provided the material for John van Druten's play *I Am a Camera* (1954), which in turn became Joe Masteroff's book for the musical, *Cabaret* (1967).

The Berlin audiences saw the van Druten play (produced at the Schlosspark-Theater) and the Liza Minnelli film (it ran

more than two years in a cinema on the Kurfürstendamm), but they were spared the original Broadway show until now. Memories going back nearly fifty years require sometimes a bit of preparation, but if a kind of social-documentary musical is magnified to tragicomic proportions, it requires all the more preparation.

*Cabaret*, to Karl Vöbke's praise at both play-director and house-manager, passed the test on both counts. Cabaret had to contend with lack of professional personnel, as well as a refurbishing crew working late into the night to meet the premiere deadline. Not everything clicked as well as expected — the orchestra was too brassy, the scene-changes too slow, the performers with out tempo in songs and dances — but Tatjana Sais returned from London to play the role of

Fräulein Schroeder, the pension-keeper, in love tragically with the Jewish fruit-handler Schultz (Manfred Lichtenfeld). She gave post-war Berlin a momentary ray of hope not too long ago in *Schweitzer Jahresmarkt*, written and composed by her husband, Günter Neumann. The star of the show, Horst Buchholz as the *conférencier*, had to learn to sing and dance for the role. It was as announced, his debut as a musical-performer. Until the Theater des Westens can train its ensemble to attain some of the polish of Broadway and West End musical productions, the theatregoers will have to look in corners for fringe benefits. This time it was an Original Ladies Orchestra on the stage for the cabaret numbers — and an architectural monument that captures the flavour and spirit of the turn of the century.

## Theatre Upstairs

## Anchorman by B. A. YOUNG

The military takeover in England has worked down-wards: the officers shot the Chiefs of Staff, the NCOs shot the officers, now the rank and file are shooting the NCOs. The army has degenerated into a bunch of "Special Task Group" whose job is apparently to go out and rough up the civilians, a job they fulfil with relish. Each group has an "anchorman" in charge, but STG 15, whose fortunes follow, have lost theirs. They can still rob, rape and murder, but they have no leader and their discipline is crating.

Far of them share a barracks-room, a sinister chamber designed by Quentin Thomas out of teal tubing. Brady (Jack Chick) was never a fighting soldier before he was inducted, on a technicality. Plug (Joe Macell) is black and tough, Sinner (Will Knightley) is white and tougher, he throws a gi (Caroline Hunt) out of a moving truck while Plug only res her at gunpoint. Strachan (John Nightingale) is an actor. With some time off to the boys at work, the evening is spent in the competition to be the next anchorman.

Ron Hutchinson, the author, is provided some facetious fusion on a Superman level, but this piece won't hold

together. Why do these murderous thugs, who are ready to knife one another at the risk of being late for turn-out, calmly allow their comrades to confess, or to threaten all kinds of mutual treachery? Strachan (a curious major whose shoulders bore pins rather than crowns, and who says "we was") has virtually appointed himself at

the end, though some of the others at least, know that he killed the previous anchorman in an intelligence exercise with live electrodes. Then wet little Brady calmly announces that he has been appointed by the Orderly Sergeant — and no-one objects.

And anyway, who is in charge of these people? Who are they, who call out the troops with an

electric bell to ravage the population? Their concealment adds some creepiness to the atmosphere, but at the same time it destroys the element of belief necessary to scare us.

The acting is as good as can be with such unconvincing characters, and John Dove, the director, infuses some illusion of movement into what is a fundamentally static play.



Caroline Hunt, Joe Macell and John Nightingale

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## Preparing for SALT 3

PRESIDENT Valéry Giscard d'Estaing has now officially confirmed that he does not intend to offer the French nuclear deterrent as a bargaining chip in the next round of strategic arms limitation negotiations with Moscow (SALT 3). Unlike the two previous rounds of SALT negotiations, which have been concerned only with the intercontinental arsenals of the two superpowers, SALT 3 is intended to include the so-called "grey area" systems based in, or targeted at, Western Europe. But while the UK has still to make up its mind on the precise role that the British deterrent will play in the talks, it has long been regarded as unlikely that France would agree to sacrifice its cherished independence by placing the force de frappe on the table. Were President Giscard d'Estaing to do so, he would provoke an outcry of megaton proportions from the Gaullists.

## Guadeloupe

This does not mean, however, that he wants to be left out of the consultations among the Western powers that will precede and then run parallel with the actual SALT 3 negotiations with Moscow. Indeed one of the main purposes of this month's Guadeloupe summit, at which President Giscard d'Estaing was the official host, was to launch these consultations at the highest level. The point is that if the French President is seen to be indulging in such discussions with the U.S., Germany and Britain, he must make it doubly clear that he is not plotting any abandonment of French national independence. This is all the more necessary at a time when he is already under heavy fire from both Gaullists and Communists for jeopardising French national sovereignty in his approach to European direct elections and other EEC policies.

Given the sensitivity of the sovereignty issue in Paris, and France's continuing absence from military discussions in NATO, it has hitherto proved difficult to bring the French into the consultation process. Guadeloupe may provide part of the answer, particularly if the four-power summit is to become regular events. But the final form of alliance-wide consultation and procedures for the actual negotiations are yet to be agreed. The problem is difficult for both the U.S. and the Europeans. Washington cannot surrender control over

the Western negotiating position to European Governments, and the chances of success are likely to be greater if direct participation is limited to the two superpowers. But the issues at stake are so vital for the Europeans that they cannot be totally excluded. Indeed, it would probably be virtually impossible for an American President to secure ratification of a SALT 3 Treaty that was unacceptable to West European Governments.

A further equally important dilemma concerns the West's negotiating strategy. One option would be to offer not to deploy new intermediate-range American weapons in Western Europe in exchange for restrictions on Soviet threatening the European theatre. But the neutron bomb precedent is not encouraging—there was no Soviet response to President Carter's offer to suspend the weapon's development. On the other hand, it would be expensive and probably politically unpopular, to match Soviet SS-20 missiles and Backfire bombers with American Cruise and Pershing II missiles simply in order to negotiate restrictions on them. The neutron bomb episode also underlined the depth of opposition to the introduction of new weapons systems into Western Europe even for purposes of self-defence.

## UK deterrent

Britain, meanwhile, has been adopting a distinctly cautious approach to the whole affair. The Government has so far not totally excluded the UK deterrent from the negotiations, but wants to have a clearer idea of what the Soviet Union might offer in return before finally making up its mind. The answer may well turn out to be that it is not worth pruning abandoning the British deterrent in exchange for a small reduction in the number of SS-20s, of which the Russians already have more than enough. But the matter will soon have to be squarely faced, especially as decisions on replacing the ageing Polaris force must be taken within the next 18 months at the latest. It is understandable that Mr. Callaghan should not want to step into such deep waters in a pre-election period. For the next Government, however, decisions on the UK's future as a nuclear power must be a major priority.

## Design and the 'X' factor

AT A TIME of national industrial turmoil, the appearance of an official report calling for better design practices in industry may appear an almost frivolous irrelevance. However, the issue is important enough to demand consideration even at a time like the present, and the fact that it is not generally seen as an important issue in this country helps to explain the long record of underachievement which has helped to cause our present discontents.

Study after study has shown that non-price competitiveness—delivery, performance, reliability and market appeal—is more important than any factor economists can measure in determining growth. All these elements, which economists have despairingly lumped together as the "X" factor, come into the design process if it is properly carried out. Design is not just a matter of styling; if it were, the problem might quite largely have been solved before now: the styling and decoration of our more straightforward products—pottery, textiles, garments, printed matter and traditional furniture—have undoubtedly improved.

## Complicated

However, design as it is considered in the report which Mr. K. G. Corfield has written for the NEDC is a much more complicated matter—a question of embodying technical, marketing and functional knowledge in a final product. Quality, reliability and ease of manufacture are also quite largely determined at the design stage. This is where we lag.

It is easy, of course, to preach sermons on such a subject; it would also be easy to follow the path of many previous reports on worthy objectives, and recommend simply a liberal application of public money. Mr. Corfield, however, is a practical and successful industrialist. His report refreshingly does not call for increased public spending. Instead, it identifies a number of areas where action could be started: in education, in public sector purchasing, and of course inside companies themselves. The education section deserves the most urgent attention.

In a recent lecture to the Royal Society of Arts, Mr. Jack Pritchard, a veteran since the 1920s of the struggle to raise British design standards, complained that the divorce between design and the education system, as observers have complained for a century, yet the educational marriage of technique and design elsewhere has been fruitful.

The Corfield report points out that recommendations on these lines for the better training of designers already exist in the Carter and Moulton reports published by the Design Council but not yet implemented. Its own new recommendations are more concerned with another gap—that between academic research and practical application. It recommends that in engineering schools industrial experience should become a fifth of all engineering courses should be restructured to give full weight to the design and development process.

However, the provision of capable people will achieve nothing if their importance is not recognised; this involves a combination of market pressure and company structure. To supplement the spur provided by the competition of well-designed goods, Corfield recommends a greater stress on design in public purchasing, and the substitution of performance standards for precise specification of goods wherever possible.

## Public funds

In companies, he urges that every manufacturing concern should make design a main board responsibility, and urges the City to recognise the importance of this, and suggests that some public funds or tax allowances might be diverted from subsidising investment in hardware to assisting in the finance of design and development.

No report is of itself an important event; only a response can make it so. It must also be said that the individual ideas in this report are not new. However, it represents a practical man's ordering of priorities in tackling a problem which his far more important than is generally admitted.

PRIVATE haulage lorry drivers began strike action in several regions last week. The full knowledge that a long stoppage would cripple industry and create widespread lay-offs among fellow workers.

The action is also a major setback for a Labour government in an election year. Drivers are threatening to secure a settlement which, in percentage terms, would be reminiscent of the large inflationary pay deals of 1974-75. This is in a sector of the economy where pay settlements have a wave effect on other private and nationalised industries.

If the Transport and General Workers Union today makes official the present unofficial regional strikes, the Road Haulage Association, which represents the employers, estimates that the existing number of drivers on strike would double to more than 100,000. The effect would be close to that of a national strike following years of industrial action by drivers on a traditional localised basis.

This would drastically reduce supplies to industries and farms and through picketing, tighten up an already firm grip on Britain's ports and distribution depots.

## No truck with pay norms

The drivers' stoppage is to some extent the result of the changed background to pay negotiations. Mr. Moss Evans, as the new general secretary of the Transport and General Workers' Union, feels the need to make his own mark on the national trade union movement. There is a clear decision by the TUC to have no truck with pay norms and the Government has had the use of sanctions against companies which breach guidelines voted down by Parliament.

It is not always easy to sell a powerful group of workers a deal, even if it is worth 15 per cent, the present offer, and, on the face of it, reasonably generous, if they have wound themselves up to claim three times that amount. Nor is it likely that such a group will settle readily at 5 or 10 per cent when it believes, rightly or wrongly, that the employers can afford 20 or 25 per cent.

The Road Haulage Association takes the view that much of the groundswell for strike action has been generated by the more militant shop stewards. There is undoubtedly some truth in this, at least in some localities, and it probably explains why certain local areas have been on strike while others down the road have not.

The Association has been particularly bitter about alleged attempts by some local union officials to hoodwink drivers into believing that the unofficial stoppage had official backing.

There has been very strong support by drivers in many regions, however, for achieving a better deal than is currently on offer. Drivers in areas as far apart as Scotland and South

Wales have voted by big margins to strike, rejecting 15 per cent in the full knowledge that the strike was unofficial.

National officers of the transport workers like Mr. Jack Ashwell, the union's national transport secretary, point to specific factors within the haulage industry which have led to the present crisis. These include the potential effects of new EEC legislation on drivers' hours, what the union believes to be low basic rates in the industry, and the effects of relatively large pay and productivity deals under the last 10 per cent Phase Three policy.

Present basic pay for HGV 1 men, that is, drivers of the heavier lorries, is £53 for 40 hours. In most regions of the association, five hours of overtime, at time and a half, is guaranteed, although the drivers do normally work this. An average of 52 to 53 hours is worked in the industry, giving earnings of close on £80. Working the maximum 57 hours allowed under current EEC regulations, together with mileage bonus payments earned by some long-distance trunk-route drivers, some operators gross up to £90 and more.

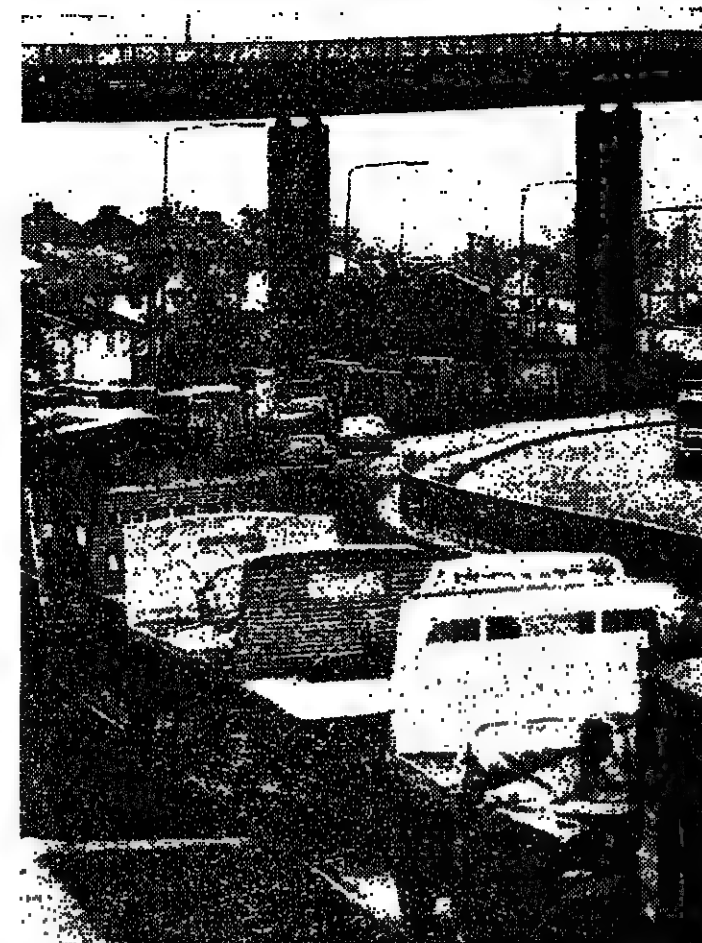
The great majority of drivers, however, are not in the HGV 1 category. Basic pay for lower categories, which is usually related to gross or net weight of the lorry, is graded downwards, normally by about 50p per week per class within each category. Basic pay for some drivers of smaller commercial vehicles is about £48 to £49.

Guaranteed overtime provisions apply to drivers of all grades in those regions of the association which have agreed overtime guarantees. Local drivers, normally with lighter vehicles and on lower pay rates than long distance operators, have generally less opportunity to work overtime.

In straight money terms, the claim formulated nationally by the Transport and General Workers' Union is worth about 25 per cent. This involves an increase in the basic rate to £65, worth 23 per cent, together with a higher overnight subsistence allowance and a new pay rate for late evening and night working.



Mr. Roy Hattersley, Prices Secretary (left): taking submissions on a critical report. Mr. Moss Evans of the TGWU: need to make his mark.



Lorries on the Portway at Bristol which could not get into Bristol Docks as a result of picketing by striking lorry drivers.

The union is seeking a 30 per cent increase in the subsistence allowance from the present £6.50 to £8.50. The drivers are also seeking a 35 hour week which lifts the total value of the claim to 49 per cent.

From July, EEC regulations will cut maximum hours from 57 hours to 54 with further reductions to 48 hours by 1981. The shorter hours claim is therefore seen by union officials as a method of protecting overtime earnings in an industry where overtime averages more than 12 hours a week. A partial alternative to this is simply to press for the total basic of £85 in the claim. If the union yields on the 35

hours claim, it will press to have its hour-un-basis claim met in full.

Mr. Ashwell makes a distinction on the overtime issue between local and trunk drivers. Heavy lorry long distance drivers average higher overtime and the potential future effect of new legislation would be more critical for them. To some extent that explains the early unofficial action in Scotland, which has a high percentage of "trunkers".

Although the fact that the Scottish negotiations are first in the haulage round was the most important element, legislation to implement a maximum driving distance of 281 miles (450 kms) could also create some problems for trunkers on mileage bonus rates, but the union is confident that this problem can be overcome.

## The basic rate

Local drivers, usually short-haul operators in major cities, work less overtime and are less concerned about the effects of new laws on overtime payments. But what they are concerned about, according to Mr. Ashwell, is the basic rate. "It is too low and it has been depressed because the use of excessive overtime has remained the norm in the industry." Last year, drivers secured rises of 15 per cent, in breach of the then 10 per cent Phase Three. In many areas, however, the effect on earnings for local drivers was less.

Mr. Evans says the case is a

just one, given the driver's responsibility in handling vehicles up to 32 tons and more and the relatively low basic rates, even with guaranteed overtime. The media's obsession with percentages has masked this, says the union.

Most of the regions' offers are for a new basic of £60 for 40 hours with the existing five hours overtime guaranteed. This represents an increase of 13.2 per cent on basic pay and slightly more than 15 per cent when overtime and other factors are taken into account. With guaranteed overtime, HGV 1 drivers' earnings would rise to £71.25 and over £100 for some on high overtime and bonus schemes.

The association says the offer is generous, given the continued nominal existence of the Government's guideline and the fact that the tanker drivers are settling for a similar amount. It does not believe that a potential reduction in overtime hours is a problem for the drivers at the moment although it considers, rather cynically, that this could be a major difficulty in the next pay negotiating rounds.

It also says that it is all the haulier can afford—and is particularly worried about some sanctions the Government may employ if they move beyond their present offer. Last year, private hauliers settled in breach of Phase Three following selective industrial action by drivers, particularly in the West Midlands area. The association was particularly infuriated at the lack of Government assistance it received in trying to keep within guidelines and the loss of Government contracts for some hauliers that resulted.

A Price Commission report late last year criticised the industry's level of efficiency and said more could be done to absorb increases in fuel and wage costs. The implication was that hauliers should not be allowed to increase haulage rates beyond the general level of inflation.

Mr. Roy Hattersley, the Prices Secretary, who is taking submissions on the report, has until January 23 to lay before Parliament an order restraining increases in haulage rates if he decides to act on the report.

The association believes he might do just that and says it is under extreme pressure from Government Ministers, including Mr. William Rodgers, the Transport Secretary, not to concede more than 15 per cent—which the Government in any case believes is far too high.

The union says the association is hiding behind the Price Commission report and the threat of price restraint. It argues that the profit safeguard provisions, by which companies can appeal against the threat of a restraining order if they feel it will severely restrict their future profitability and operations, weakens the employers' case.

The use of the safeguard provisions, however, is a little unclear when applied to whole industries rather than individual companies. In recent months, Mr. Hattersley has laid restraining orders on footwear distribu-

tion and the bed retailing industry.

The dispute has thrown up the unsatisfactory nature of the haulage industry's bargaining machinery. At one time, a wages council set minimum rates nationally. A 1976 report by the Advisory, Conciliation and Arbitration Service recommended the abolition of the wages council as no longer necessary for maintaining reasonable pay standards for drivers. It also recommended that the council should not be replaced by a statutory joint industrial council, largely because of the growth of local agreements.

It did suggest a national forum to discuss general matters which could form the basis for a new negotiating structure if that appeared to be more appropriate.

The findings were broadly in favour of the union's position and in opposition to the views of the association. The wages council has been abolished and negotiations are technically held on 18 separate negotiating committees in the regions. Hauliers had wanted national negotiations. Mr. Eric Russell, the association's national secretary, says such a system is tidier and simpler and would bring more uniformity to the pay structure. Definition of classes of driver, for example, differ in different regions and there are separate settlement dates.

The association is also deeply concerned about the additional bargaining strength a regional network gives the union. On the one hand, it would allow the union to pick off areas and start a spate of leapfrogging settlements, something which has so far not occurred.

## Special local difficulties

On the other, it does allow the possibility of individual regional breaking under the strain of industrial action and settling for a deal not to the liking of the association's national officials. In past disputes, the "Bull" area of the association broke the £40 basic rate barrier in 1974 and appeared to come closest last week to conceding more than 15 per cent.

Mr. Ashwell says only regional negotiations can settle special local difficulties—that arise within regions and that it is the only way to ensure that agreements are fully adhered to by the drivers. National wage fixing is far too remote from the membership.

The union has been particularly incensed at the growth of the association's national policy of regional negotiating chairmen, which Mr. Ashwell sees as an attempt by the employers to revert to a national structure.

The employers would regret such a national framework says Mr. Ashwell. The drivers would meet it either with continuing national industrial action during pay disputes or by picking off individual companies. "The union can hammer into the ground any company if it is wished."

## MEN AND MATTERS

## Free seat for a block buster

It is a fair guess that the Labour councillors of South-west London, with their dreams of a £50m town hall, will keep well away from a public debate in Albemarle Street tomorrow night. The Society for Architecture will offer a more thoughtful, centring the debate on a motion "that the architect should put the requirements of his client before the good sense of the public and his own sensibilities as an artist."

Putting himself up as the devil's advocate is Gordon Graham, 1978 president of the Royal Institute of British Architects and internationally renowned for his industrial buildings. It will be his task to argue that office blocks, for example, should be totally functional—that how they look from the outside is quite irrelevant.

The society believes that some architects—and many big companies which commission designs from them—give far too little thought to how a building will look. It argues for humanity in new architecture, and even decoration.

Holding the ring at tomorrow's meeting at the Royal Institution will be Lord Armstrong of Sanderstead, former head of the civil service and now chairman of the Midland Bank, together with Dick Taverne, erstwhile politician.

Most trenchant critics of architectural commercialism will be Richard Sheppard, who designed Churchill College at Cambridge, and Richard McCormack, lecturer in architecture at the university.

I asked whether Colonel Richard Selfert, who could well claim to have done more than any man living to change the face of Britain, will be present. It seems that the society is so keen for him to air his aesthetic creed that he has been sent a complimentary ticket.



"If you can keep your head while all around you are losing theirs... it shows you don't understand what's going on."

## All relative

The TUC economic committee was yesterday talking about (among other things), the shorter working week. "It is all very well demanding a shorter week," said one general secretary, "but if you were an Einstein, you would want to work 60 hours a week."

Stage whisper from David Lea, TUC assistant general secretary: "And we have got four Einsteins sitting round this table now."

Moss Evans and Clive Jenkins (with one voice): "Well, thank you."

## Going native

Still bleary from two much-delayed flights over the Atlantic, restaurateur Alan de Gusset told me yesterday about the broody Americans he had just left.

Their style, he says, provides a sharp contrast to ours. New York delayed his Concorde flight by two hours. Heathrow managed 10. Before leaving London, he was startled to see "a British Airways official in a red cap chipping away at the ice with a screwdriver."

Despite such ironic observations about home, much of de Gusset's success in the U.S. depends on selling the British way of doing things—or at least, the Americans' idea of how we do them.

The man who made his name running Wimpy Houses in London is now packing a "five-star coffee house" "Richoux restaurant in the New York City Club headquarters with clients reacting against fast food. On his last trip he negotiated sites and finance for two more Richoux restaurants in New York. A fourth is in the pipeline, as well as restaurants in Miami and Chicago, each representing an investment of about \$500,000. This reverses the trend for American eating houses to invade Britain.

Da Costa says that a desire for more relaxed meals in America still means people want to consume a three-course meal in 20 minutes. London staff sent out to get things moving were stumped by the caustic tones of dissatisfied diners. "In the end they just copied the New York waiters and simply told them if they wanted to get pisoned quickly they should go to the hamburger bar up the road."

## First at the Post

The decision of Katherine Graham, that near-legendary figure of American journalism, to relinquish day-to-day control of the jewel of her empire, the Washington Post, leaves her son Donald at the helm in a potentially stormy period of the paper's 101-year history.

At 33, Graham becomes the fourth member of his family to hold the title of publisher. He faces a determined bid by the

Post's only rival, the Washington Star, to win back the readers and advertisers it has been losing in recent years.

The Star's new owner, Time Inc., blowing hot and cold, has threatened permanent closure, and promised to sink \$80m into the Star over the next five years to stem its \$1m-a-month losses.

The steely nerves Graham no doubt cultivated during his stint as a police patrolman will stand him in good stead.

## Hard sell

National Girobank, owned by the Post Office, has been distributing an article to house magazines around the land, to celebrate its fourth anniversary. It invites the readers of such journals to switch to Giro because of all its claimed advantages over ordinary banking facilities.

One copy of the article was sent to Robert Sim, editor of the staff journal of the Clydesdale Bank. "I see no likelihood of my using it," he says drily. "It shows the perils of using mailing lists to spread one's message."

## Digestible words

I hear the U.S. ambassador in Tehran William Sullivan, has been invited to a reunion of old Vietnam hands tomorrow at the hotel where the international Press corps is staying. The thoughtful journalists have ordered a cake in the form of a tunnel with a single candle at one end, carrying a quote attributed to Sullivan previously an envoy in Indochina—at the fall of Laos: "We have lost better countries than this."

Observer

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# Mr. Callaghan's 'sea of troubles'

MR. JAMES CALLAGHAN has returned to the UK to face at least three major domestic concerns. The first is to prevent a winter and spring of industrial disruption. Although the immediate threat is that of the private sector lorry drivers, the most intractable problems are in the public services, where the nominal 5 per cent pay guidelines are under assault by one group after another. The second is to restore his longer term credibility as a Prime Minister who can deliver a decent central government wage rise. The third is to keep open the option of a spring election.

Clearly the three are closely intertwined. And if I start with the election, it is not out of cynicism but because of the need for the Government to make essential decisions now. Opinion is growing among Ministers that it will not be possible to struggle on much longer after the Scottish and Welsh referendums on March 1. April 8 has already been pencilled into some diaries as the most likely election date.

There is a good deal of circumstantial evidence to support a date in early spring, including pressure being exerted on officials to speed up the publication of documents believed to have political appeal. Nevertheless, guessing the election timing of this Prime Minister is a fool's errand and I shall not believe in April 5—or any other such date—until Mr. Callaghan himself gives the green light or is defeated in Parliament. Fixed term Parliaments would end this whole silly game.

It is however a fact that Ministers have been advised to prepare for the smallest possible Budget and Finance Bill—the ideal is something that could be printed on a small bent-over menu sheet. If there is no election after all, it would be the

easiest thing in the world to insert in the Budget Speech at the very last moment some of the Inland Revenue proposals such as those outlined by David Freud on January 8.

The simplest course of all, in the event of an April 5 election, would be to have a May Budget as Mr. Callaghan himself did as Chancellor in 1966 after the election of that year. The snag about this is that if there is an election the Opposition will be able to accuse the Government of having something nasty to hide; and I do not think Mr. Callaghan will risk that.

## Early Budget

Much more likely—election or no election—is an early Budget in March. All that is strictly required are resolutions to renew the income tax and corporation tax powers, to index personal allowances and renew the regulator. The Opposition, which must always appear to be eager for the day, would operate in getting it through quickly. The snag here is that no-change Budget may carry little credibility with either the electorate or the financial markets, which will immediately begin speculating at best on a second budget and at worst against sterling.

Until very recently, Mr. Healey has benefited from the official understatement of the Public Sector Borrowing Requirement, resulting from the initial imposition of cash limits. But this era is coming to an end. The PSBR estimates of £80n for 1978-79 and £85.5n for 1979-80 in the autumn economic forecasts are beginning to date badly. Informal estimates for next year's actual PSBR are beginning to edge upwards, while estimates of what is necessary are edging downwards—necessary, that is, to keep the money supply in con-

trol at a reasonable level of interest rates.

A reduction in the monetary target from 10 per cent (give or take 2 per cent) to 9 per cent and of the prospective 1979-80 PSBR from say £90n to £80n is thus seen by some experts as the minimum necessary to maintain reasonable stability in the sterling exchange rate, without which inflation is certain to go back into double figures.

The adjustment required might not seem very much; but remember that even the out-dated optimistic forecast assumed that the specific duties, for example on drink and tobacco, would be indexed. This would require Parliamentary approval. So would any move under the Lawson-Rooker-Wise amendments not to index the personal allowances. An attempt to do either of these things, could well be defeated in Parliament. As for the expenditure side, this has indeed already been decided and is already printed in the Public Expenditure White Paper due next Wednesday.

There is, of course, always a chance that the fiscal arithmetic will work out better. Guessing what the Treasury will guess the borrowing requirement to be is almost as hazardous as guessing the election date. There is nearly always enough genuine room for argument for the Treasury to choose a low PSBR estimate—which would avoid tax or expenditure adjustments—without it looking too obviously like cooking the books. An alternative to this type of passagings—and one which might appeal more to the Prime Minister—would be to challenge the Opposition parties to vote "irresponsibly" against the Budget and call an election if that happened. My personal view for what it is worth is that it would not be irresponsible for the opposition parties to

vote against lowering the real tax threshold, but that by the very same logic it would be irresponsible to vote against increasing the specific duties.

Even more important for Mr. Callaghan is what he can put in the shop-window on the so-called "counterinflation front." Some hopes are still pinned on a revived, mark two "social contract" with the TUC. This would have three main planks. The first would be a medium term anti-inflation target. Mr. Callaghan has already dropped a hint about reducing price increases to 5 per cent a year over a three-year period. Secondly, there would be some pay relativities body for parts of the public sector at least. Thirdly, there would be an ad hoc understanding on public sector pay in the current round. There is, to make a relevant digression, also a high probability that the Prime Minister will make compulsory planning agreements in his particular sop to the Left in his election programme to make the rest of the programme palatable.

The first point, acceptance of a gradual reduction in the inflation rate, should be the easiest to achieve. It is common ground between the Government and unions, and among the political parties. Everyone is against it. But I shall only believe in this long-term target if the next Budget Speech—however abbreviated—sets forth a three-year timetable, adjustable in detail, but not in its main course, for a declining series of monetary growth targets and some stabilisation of the PSBR.

It is the hand-to-mouth short-term nature of their approach, which accounts more than anything else for the unconvincing and unconvincing nature of the supposed Callaghan-Healey conversion to monetarism.

The second point of the

Government's actual agenda, an understanding with the TUC on public sector relativities will be more difficult to achieve. Mainstream Whitehall thinking still holds fast to an incomes policy pay norm with a relativities board to pronounce on exceptions in the public and private sectors alike.

In its present mood the TUC would never accept such wifery ranging interference with collective bargaining. Its own interest would centre on some machinery to prevent public service wages from falling behind those in private employment. There is also a long-standing Whitehall project to unify and extend the ambit of existing review bodies for doctors, dentists and armed forces' pay, the Boyle Committee on top salaries, the various ad hoc police enquiries, and so on. These ideas are likely to be dusted down in White or Green Paper form before very long; but the unions are adamant that most nationalised industry wages must be strictly excluded from any such body.

## Soft policies

Alas such machinery, like most soft incomes policy proposals, is likely to increase the amount of wage-push in the economy—and thus raise the inflation rate in the short run and the unemployment rate in the long run. The only general valid principle of public sector pay is the market rate for the type of work in question, but with a tempering of the pace of adjustment to take account of human factors.

But it is the third item, an immediate formula for dealing with public sector wage claims this winter and spring, which is causing the greatest difficulty and controversy. An attempt at an across-the-board and literal application of 5 per cent in the

public sector is now almost unthinkable.

One school of thought, still prominent in the Treasury, is to preserve as much of the fiction of 5 per cent as possible, by channelling as much as possible of the excess into fringe benefits, "productivity deals," deferred increases and so on. This make-believe attitude characterises everything that is wrong with the British Government.

It would also have the effect of shattering the credibility of cash limits, which otherwise might well be remembered as one of Mr. Healey's main achievements. For cash limits based on the fiction of 5 per cent would be equally useless as a tool of public expenditure control and as a limit on the pool of funds for financing wage increases. Everybody would know that any government would let such limits go.

An alternative and more promising approach has been espoused by other Ministers and officials outside the Treasury. This would be to make an assessment of the going rate of settlement in the private sector—probably 8-10 per cent in spite of the headline cases—and offer the public sector unions this revised norm out of "fairness." With a little papering over, this might provide a pre-election formula.

This does not dispose of all problems. A £250m deficit is feared for the National Coal Board even on the fictitious basis of a 5 per cent wage increase and an 8 per cent increase in prices. Heaven knows what it will be in actual fact. Political trouble in Iran or elsewhere may in the end raise energy prices further, but this is hardly a solution to look forward to.

Moreover the shadow of sanctions in the private sector is not quite dead. Things like



Mr. Callaghan—returning to the UK to face three major domestic worries.

government contracts or ECGD credit will no longer be withheld for pay policy reasons. But discretionary aid for industrial investment (mostly given under Section 8 of Mr. Peter Walker's 1972 Industry Act) is after all discretionary; and the Cabinet can take whatever factors it likes into account. On this front industrialists must lie in the beds that they themselves have made. Such discretionary aid is itself a breach of the rule of law, as well as being based on bogus economics; and almost any way of phasing it out is welcome.

Embedded in all the Whitehall debate is one good idea which deserves to be rescued

Samuel Brittan

## Letters to the Editor

### EEC farm prices

From Mr. S. Stewart

Sir—Your leader of January 3 on EEC farm prices was slightly unbalanced and certainly mistaken in its analysis of the fact that the latest French proposals should be accepted as a basis for negotiation.

The problem of agricultural surpluses has mounted and will continue to mount because the prices paid to EEC farmers are too high. The reason why they are so high is that the milk of account used for calculating the common price was based on the currency snake and was not reduced in value when the country after another left the Snake and devalued their currencies. As a result the agricultural unit of account is now 21 per cent higher than it would have been if it had not been artificially raised by tying it to the Snake instead of to the basket of currencies known as the European unit of account.

Countries which had devalued did not, however, take full advantage of the opportunity to raise their agricultural prices to the old parity, nor did those whose currencies had appreciated reduce their prices accordingly. German prices at the end of October last were 10.5 per cent above the common price, and UK prices were 32.3 per cent below. This means that UK prices would have to be raised by 45.8 per cent to achieve the common price. By five times more than German prices would have to be reduced.

The prices we pay for imports controlled under the common agricultural policy have already risen 248 per cent since 1970 compared to the figure of only 158 per cent for other types of imported foodstuffs. UK farm prices have also risen faster than the wholesale price of manufactured goods excluding food, etc., despite the very rapid increase in labour productivity. That is why farmers generally are so prosperous and why the price of agricultural land has risen astronomically.

The European monetary system, unlike the Snake, is based on the basket of EEC currencies, now known as the ECU. The impending disappearance of the Snake gave the Government the opportunity to secure the fundamental reforms for which it has supposedly been pressing and we can be quite certain that the French, in our place, would have insisted that the ECU should become the agricultural unit of account, and that a timetable should be established for a genuine common market on this basis. This would mean that every country except the UK would have to reduce the prices paid to its farmers, ranging from 21 per cent in the case of Germany to only 2 per cent in the case of Italy. UK prices would have to go up by 9 per cent. We would then know who was really responsible for the surpluses. The conclusion might well be that a common market in agriculture was not feasible and that each country should assume responsibility for looking after its farmers.

There is nothing in the communique issued after the meeting of the European Council which commits us on the question of agricultural prices and now that the French have thrown the whole thing into the melting pot our representatives at Westminster must bring pressure to bear on the Government to make sure that the new

### Letters to the Editor

unit of account is based on the ECU. The Snake was a words common price recognises this. Monetary compensatory amounts would be redistributed and the system would then become transparent. Failure to make progress on these lines will only increase the public's disillusionment with the EEC and all its works.

Shaun Stewart,  
The Old House,  
Widley Hill,  
Bitchingham,  
East Sussex.

### Negative return policies

From Mr. K. Haseldine

Sir—While Eric Shortt's calculations in his article "Negative return policies" (January 8) may be accurate I would submit that the implied criticism is completely unsubstantiated.

To comment in isolation upon the effects of inflation on the investment element of an endowment in such a way suggests a lack of appreciation of the concept of life assurance and the real life needs it fulfils. The overwhelming majority of people buy life assurance policies for the combination of investment and protection provided, not simply the investment yield. The life assurance industry does not compete with the inflation rate. It competes with other savings media and performs remarkably well.

It would perhaps have been more realistic if a 35-year endowment had been considered as this would have borne a closer resemblance to the average policy term effected. Results of course would have produced a much more positive performance due to the compounding of bonuses over the longer term and also the lower inflation rates experienced in the period 1944-1973.

As for the suggestion that the life offices could declare larger bonus rates I would contend that in such a competitive industry it can be safely assumed that each company, particularly the mutuals, allocate every possible penny to bonuses without placing the life fund in jeopardy.

My conclusion would be that the article may have some merit as an exercise in accountancy but certainly contained little practical substance in life assurance terms.

K. Haseldine,  
37, Granary Lane,  
Worsley, Manchester.

### Letters to the Editor

The increases conceded range from 8 per cent (Vauxhall) to up to 80 per cent (TUC staff). The majority are in the region of 15 per cent and include sizeable additions for self-financing productivity schemes which on past evidence are unlikely to be fully effective. In addition, the tanker and lorry drivers who are on unofficial strikes have turned down offers of around 15 per cent.

On this evidence, my guess is that the increase in average earnings this year will be at least as large as last year's 15 per cent and probably larger, and that the increase in the retail price index will be over 10 per cent (and still rising) before the year-end.

As for your second question, the answer, not only from some of the less patient front bench spokesmen of the Conservative Party but from millions of ordinary people all over the country, is, I am sure, a resounding "yes."

Among the changes I would like to see are—

a—strikes to be called only by official union leaders after secret ballots (not by shop stewards after shows of hands);

b—picketing rules to be tightened up (e.g. no picketing by workpeople not directly involved in a dispute) and strictly enforced;

c—agreements on pay or on procedures for resolving disputes, once made, to be strictly adhered to;

d—closed shop legislation to be repealed or (failing that) no workpeople to be sacked under it without fair compensation.

D. G. Layton,  
32, Cranborne Avenue,  
Eastbourne, East Sussex.

### Building societies

From Mr. P. Twyman

Sir—Timothy Dickson's interesting review of building society reports and accounts (January 6) missed one aspect of some significance.

The latest annual report of the Chief Registrar of Friendly Societies contained a thorough analysis of the reports of the 50 largest societies. The Chief Registrar also made a number of important comments about the need for more informative reports, since for many societies they were the only opportunity of addressing their membership on matters which affect their interests. He went on to refer to the desirability of fostering the mutual and co-operative principles which should underpin the operations of building societies and to the importance of providing adequate information to members.

These comments echo the remarks made in June last year in the Chief Registrar's formal decision on the proposed merger of Anglia with Hastings and Thanet Building Societies. The objections to that merger—and I was one of them—appeared to be regarded by some senior members of the building society movement as tiresome lunacies. It was therefore a great comfort to us that the Chief Registrar accepted the basic point we were trying to make—that ordinary members have a right to proper information about the affairs of their societies.

Against this background it may not be quite so easy for the building society lobby to arrange for the legislation to be amended in a way that would reduce further the number of members entitled to receive annual reports and accounts, which are documents of such significance. A balance has to be struck between members' rights on the one hand and, on the other, the understandable wish of managers to reduce expenditure on the printing and distribution of these documents—especially to members who have a relatively small financial stake in their societies. The question of where the right balance lies, however, is not quite as simple as you suggest.

P. H. Twyman,  
129, Minnis Road, Birchington, Kent.

### Pension fund statistics

From Mr. D. Cutler

Sir—Following Mr. Wolanski's further letter (January 6) on pension fund statistics I should only like to make two quite short and final points.

The question of alternative methods of calculating income return, so clearly set out at length by Mr. Wolanski, simply does not arise in this case because the composite figure for rate of return has already been calculated on a selected basis and I am only asking for a split into its two constituents. It is a matter of interest and importance to do this because there is a material difference between a figure which has been actually secured and a paper figure which may, or may not, prove to be justified by subsequent events.

Trustees can make up their own minds as to the relative importance of the two sets of figures and as to the relative value to be attached to any comparisons drawn therefrom.

D. G. S. Cutler,  
Lincombe,  
9, Woodlands Road,  
Surrey.

### Cakes and biscuits

From the Chairman,  
The Cake and Biscuit Alliance

Sir—"Men and Matters" (January 8) attributes the publicity given last week to the current problems of the cake and biscuit industry to Sir Hector Laing. This is not correct. The statement I made was on behalf of the cake and bis-

## Today's Events

**GENERAL**  
Association of County Councils statement on Government's local government proposals.  
Department of Energy's new Offshore Safety Inquiry Committee holds first meeting.  
President Jimmy Carter holds press conference in Washington on inflation and economy.  
OECD meets in Brussels on export credits and credit guarantees.  
Strike called for 170,000 Spanish metalworkers.  
Mr. Martti Ahtisaari, UN Secretary-General Waldheim's Namibia representative, arrives in Pretoria for talks with South African Government.

## Today's Events

**AFRICAN GOVERNMENT**  
The Majlis (Iranian lower house of parliament) meets in Tehran to approve Prime Minister Bakhtiari's proposed cabinet.  
Mr. Jurekovic Sabata, a Czech spokesman for the Charter 77 group, goes on trial in Prague for insulting a Government official.  
Second and final day of Mr. Warren Christopher, U.S. Deputy Secretary of State, visit to Turkey to discuss emergency funding.

## Today's Events

**SECOND DAY OF EEC SOCIALIST PARTIES** three-day meeting in Brussels to discuss programme for European Parliament.  
Sir Kenneth Cork, Lord Mayor of London, attends Armours' and Braziers' Company Dinner at Armours' Hall, Coleman Street, EC2.  
**OFFICIAL STATISTICS**  
Housing starts and completions for November. Provisional figures of vehicle production.  
**COMPANY RESULTS**  
Final dividends: Bett Brothers, English China Clays, Hickson and Welch (Holdings), M and G Group (Holdings), Midland Industries, Interim dividends: Butterfield-Harvey, Raybeck, Stroud Riley Drummond, Vita-Tex, Interim Agures: AGB Research, ERF (Holdings).  
**COMPANY MEETINGS**  
British Sugar Corporation, Hyde Park Hotel, SW, 12. Comet Radiovision Services, King Charles House, George Street, Hull, 12. National and Commercial Banking, North British Hotel, Edinburgh, 12.  
**SPORT**  
Tennis: King's Cup—Great Britain v Spain, at Crawley.

# Royal Re

## A new name and status for the reinsurance division of Royal

Royal Reinsurance Company Limited, a new name within the Royal Insurance Group, has been formed from Royal's reinsurance division.

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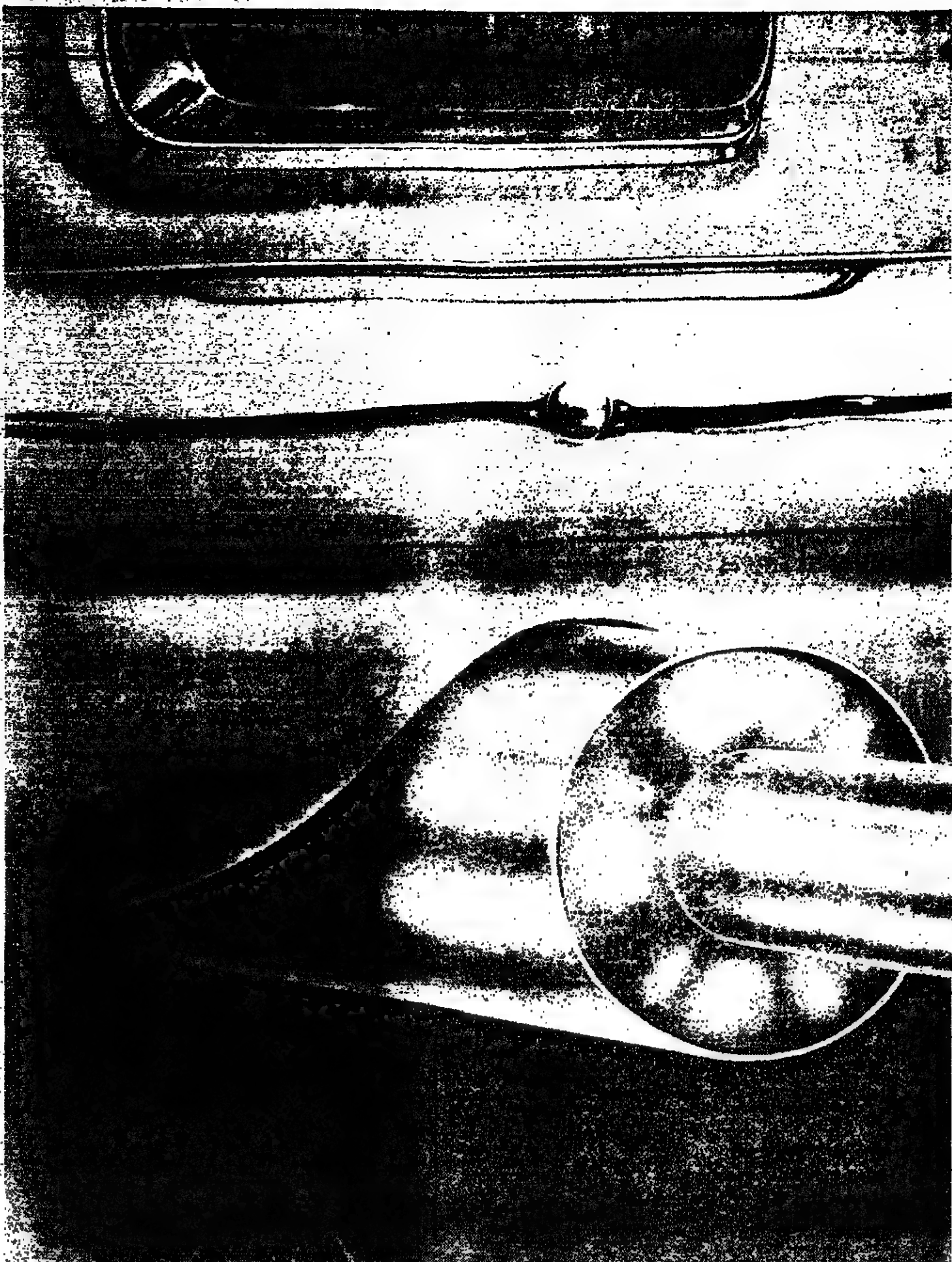


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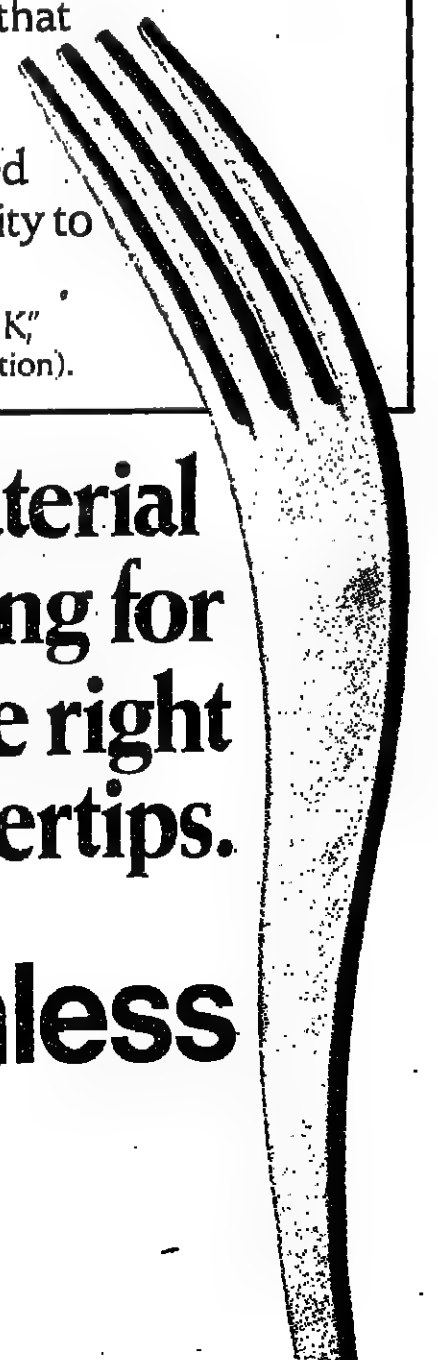
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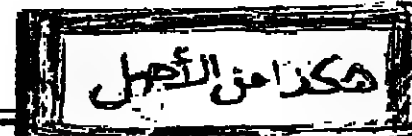
**BSC stainless**











Companies and Markets

# Third bid on way for Credit Foncier

By Robert Gibbons in Montreal  
A THIRD takeover bid is on the way for the Montreal-based national mortgage and financial services company, Credit Foncier. The bid, which is being made by a consortium of investors, is expected to be announced in the next few days. The consortium, which is led by the Bank of Montreal, is offering to buy the company for \$1.1 billion. Credit Foncier, which was founded in 1925, is one of the largest financial institutions in Quebec. It has a long history of providing mortgage and financial services to the province. The company's assets include a large portfolio of mortgages and a significant amount of cash. The bid is expected to be a friendly takeover, with the consortium offering to buy the company at a premium to its current market value. Credit Foncier's management has not yet responded to the bid, but it is expected to be a significant event in the company's history.

# Amex move needs federal approval

By Stewart Fleming in New York  
AMERICAN EXPRESS will have to obtain Government approval before being permitted to take over the highly profitable McGraw-Hill. The move, which is being led by the company's chairman, Mr. Harold W. McGraw III, is expected to be completed in the next few months. McGraw-Hill, which is a leading publisher of business and financial information, is a highly profitable company. American Express, which is a leading provider of travel and financial services, is also a highly profitable company. The move is expected to create a powerful new entity in the business and financial services industry. The Government will need to approve the move because it involves the transfer of a large amount of assets and the creation of a new entity. American Express is expected to offer a cash offer for McGraw-Hill, which is valued at over \$1 billion. McGraw-Hill's management has not yet responded to the offer, but it is expected to be a significant event in the company's history.

# Deutsche Bank to float \$200m issue

By Francis Giles  
ONE of West Germany's leading industrial companies is expected to float a \$200 million Eurobond through Deutsche Bank on the international capital market. The issue, which is being led by Deutsche Bank, is expected to be announced in the next few days. Deutsche Bank, which is one of the largest banks in Germany, is offering to float the issue for the company. The company, which is a leading industrial company in West Germany, is expected to use the proceeds of the issue to finance its expansion plans. The issue is expected to be a significant event in the company's history. Deutsche Bank is expected to offer a cash offer for the issue, which is valued at \$200 million. The company's management has not yet responded to the offer, but it is expected to be a significant event in the company's history.

## RENAULT AT HOME AND ABROAD

# Agreement on joint sales plan

NEW YORK — American Motors Corporation and Renault Nationale des Usines Renault said they have reached agreement on joint auto sales activities in the U.S., Canada and parts of Europe and South America. The agreement, which is being led by Renault, is expected to be announced in the next few days. Renault, which is a leading French car manufacturer, is offering to sell cars in the U.S., Canada and parts of Europe and South America. American Motors, which is a leading American car manufacturer, is also offering to sell cars in the U.S., Canada and parts of Europe and South America. The agreement is expected to be a significant event in the company's history. Renault is expected to offer a cash offer for the agreement, which is valued at \$200 million. American Motors' management has not yet responded to the offer, but it is expected to be a significant event in the company's history.

# Turnover up despite drop in output

BY TERRY DODSWORTH IN PARIS

PRELIMINARY FIGURES from the Renault group, France's state-owned motor company, show a further growth in turnover last year despite a slight drop in output compared with the record achieved in 1977. This result has been attained in the face of crippling problems in the trucks division, in which Renault is having to weather extremely depressed market conditions while pushing through the merger of its own Saviem activities with Berliet. Truck production was reduced by 11.5 per cent compared with the 1977 level to 49,000 vehicles, and the company is expected to

show a heavy loss on the activities when it presents final results later this year. Nevertheless, Renault said yesterday that the group figures, indicating a 10 per cent rise in turnover to FF 55bn (\$13bn), were evidence of the general good state of health of the enterprise. It added that the commercial performance of some sectors of the business had improved, supporting the view of some analysts that the company will show better profits for the year. In the private car and small commercial vehicle divisions, production dropped from 1.74m units in 1977 to 1.72m partly

because of a serious strike at its Flins plant. But in the last half of the year, output picked up under the influence of the improved French market to reach 7350 vehicles a day, a record for the company. On the French car market, expected to reach about 1.94m units this year, Renault says it should achieve a 4.2 per cent improvement to give it a market share of a little over 34 per cent. Exports, at about 1m vehicles, were roughly at the same level as in 1977, with Renault claiming that it captured about 12 per cent of the EEC market,

coming top of the importers' league in West Germany and Italy. Sales were up by 23 per cent in the UK and 25 per cent in Switzerland. In Spain, the FASA-Renault subsidiary increased its production by 6 per cent to 250,000 cars a year, and captured 25 per cent of the Spanish market. Renault is also showing more optimism about its troubled machine tool division than for some time. This business is still suffering from the low level of French and world manufacturing investment, but the group says that orders are now looking up sufficiently to predict an improvement in 1978.

# Benedetti buys into Pierrel

BY PAUL BETTS IN ROME

Sig. Carlo de Benedetti, the Piedmontese entrepreneur who bought the single largest shareholding in the Olivetti mechanical engineering and electronics group last year, is to become a major shareholder of Pierrel SPA, a leading pharmaceutical and chemical concern based in Naples. Sig. de Benedetti, who for a brief and unhappy period was managing director of Fiat, Italy's biggest private enterprise, is to acquire an 18 per cent shareholding in Pierrel by subscribing to an imminent rights issue to increase the company's capital from L12bn (\$9.9m) to L15bn. Pierrel is subsequently to increase its capital to L18bn through a L3bn convertible bond issue. The deal between Sig. de Benedetti and Pierrel is understood to involve the sale to Pierrel of some plants and equipment of the Marzer chemical concern controlled by the Piedmontese industrialist in exchange for an 18 per cent stake in the company. This is expected to enable Pierrel to boost its turnover without any direct recourse to substantial new fundings, at the same time as developing the activities still retained by Marzer in the so-chemical and raw material fields. Pierrel, after reporting losses in the last four consecutive years, is expected to break even in its 1978 balance sheet. The company, with a consolidated turnover of some L65bn in 1977 and employing nearly 2,000 people, now appears to have weathered a particularly difficult period. However, a major issue as yet

# Brokers sour over Italian market choice

By Rupert Cornwell in Rome

DESPITE THE election of a new president of the Milan Stockbrokers Association, the Italian bourses are in a mood of mounting revolt over the choice of Sig. Bruno Pazzi, the Rome impresario, as a member of Consob, the regulatory authority for the markets. The new president in Milan is Sig. Aldo de Gaspari. He replaces Sig. Urbano Adetti, who resigned last week in protest at the nomination of the unqualified Sig. Pazzi, which has been widely taken as a sign of complete government indifference to the future of the Italian security markets. In a four point programme for his term of office, Sig. de Gaspari pointedly referred to the need to ensure the professional experience of those involved with the industry, and emphasised the need to strengthen the international role of the Italian bourses. Meanwhile, the National Stockbrokers Association is to meet in Rome this weekend amid widespread talk of a strike by brokers at the Italian exchanges, unless the appointment of Sig. Pazzi is rescinded or he agrees to give up the post.

# Philips discussing German purchase

BY OUR FINANCIAL STAFF

DUTCH ELECTRONICS group Philips is discussing the possible purchase of a 35 per cent shareholding in the West German cable company, Felten und Guilleaume. Felten has a stock value of around D27m, or \$117m. Philips would acquire the shareholding from Benelux

steel group Arbed, and the deal would increase the Dutch group's stake in Felten to 70 per cent. The companies are to seek approval from the West German Cartel Office before concluding their talks. Felten has a nominal capital of DM112m, and its sales in 1978 totalled some DM55m.

Workforce numbers some 9,200. Dutch construction company Verenigde Bedrijven Broeders expects net profits for the year ended December 31 to have been about 10 per cent higher than its 1977 earnings of FF 33.50 a share. Turnover also increased by about 10 per cent.

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

U.S. DOLLAR	Issued	Bid	Offer	Day	Week	Yield
Asia Aft. \$1.50	100	98 1/2	99 1/2	0	0	10.25
Australia \$1.50	100	98 1/2	99 1/2	0	0	10.25
Belgium \$1.50	100	98 1/2	99 1/2	0	0	10.25
Canada \$1.50	100	98 1/2	99 1/2	0	0	10.25
France \$1.50	100	98 1/2	99 1/2	0	0	10.25
Germany \$1.50	100	98 1/2	99 1/2	0	0	10.25
Italy \$1.50	100	98 1/2	99 1/2	0	0	10.25
Japan \$1.50	100	98 1/2	99 1/2	0	0	10.25
Netherlands \$1.50	100	98 1/2	99 1/2	0	0	10.25
Spain \$1.50	100	98 1/2	99 1/2	0	0	10.25
Sweden \$1.50	100	98 1/2	99 1/2	0	0	10.25
Switzerland \$1.50	100	98 1/2	99 1/2	0	0	10.25
UK \$1.50	100	98 1/2	99 1/2	0	0	10.25
US \$1.50	100	98 1/2	99 1/2	0	0	10.25
Other \$1.50	100	98 1/2	99 1/2	0	0	10.25

## MACMILLAN BLOEDL

# CanPac's latest venture

BY ROBERT GIBBONS IN MONTREAL

"WE MIGHT take over MacMillan Bloedel one day, but we have no plans to do so now," Mr. Ian D. Sinclair, the chairman of Canadian Pacific, declared almost three years ago. Now, Canadian Pacific, through its non-transportation arm, Canadian Pacific Investments, has an offer on the table to do just that. Mr. Sinclair, 65, gives carte blanche by his shareholders to take over virtually as long as he likes, with the caveat that the company must be profitable. The company came into existence in 1881 in Montreal, then far and away Canada's financial and commercial center. Its progenitors were Montrealeers, among them such famous names as George Stephen and R. B. Angus, then senior officers of the Bank of Montreal. Construction and financing of the 3,000 mile transcontinental railway was planned from a building in Place d'Armes, Montreal.

The next 50 years were, in microcosm, the history of Canada, and the opening up of the West. The immigrants by hundreds of thousands from the UK and Europe arrived by Canadian Pacific ships in Montreal, and went west via Canadian Pacific trains. Its beaver symbol was as Canadian as a Mountie.

Politics and regional feelings may stay the deal, or even Government doubts on concentration of corporate power. But Mr. Sinclair is still saying his bid is on the table. He is seeing British Columbia premier Mr. William Bennett again this week. The outcome is almost certain by early next week. Canadian Pacific is getting right out of passenger rail service, and concentrating on moving freight. Under new Government policies, CP Rail can earn a return in line with other regulated industries, after financing re-equipment and double tracking through the Rockies to handle growing traffic. CP Air is doing better again and Ships also. Trucking is marginal, but telecommunications are growing and profitable. CP also controls the Soo Line Railroad in the U.S., which is profitable.

But the real potential lies in Canadian Pacific Investments, which last year earned C\$213m or \$3.55 a share, more than half provided by the 87 per cent owned PanCanadian Petroleum, a large Western oil and gas group. Total earnings of Canadian Pacific Ltd. (including CPI) were C\$247m or \$3.41 a share. The trend has been better in 1978.

After World War II came prosperity and a car in every garage, followed by new roads and mass air travel. The diesel locomotive could not keep railroads profitable. The task was to turn Canadian Pacific's great land and sea transportation business to new directions, develop its immense real estate assets, and invest in basic growth industries to offset the decline in rail activities. The foundations were laid by Mr. Crump and Mr. Sinclair. The real problem of the transportation business was Government regulation and the radical change in modes of travel. CP was early in the airline business. It had the Lisbon route and brought in the last big wave of European immigrants to Portuguese, on its DC-8's to

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## Article 1—The name of the Company is Svenska AB Volvo.

Article 2—The object of the Company is to conduct, directly or through subsidiaries, manufacturing operations and trading, primarily involving mechanical engineering products, and to prospect for, extract and refine—and to trade in—petroleum and petroleum products, as well as to make loans and provide sureties (but not engage in such activities as are specified in legislation governing banking operations and limited liability credit companies) for such activities, and to conduct other activities related thereto.

The changes in the Articles of Association shall become effective only after the Board of Directors of the Company has determined that the Agreement between the Norwegian Government and the Company, signed on 8th December, 1978, has come into force.

## Article 3—That the Board of Directors be authorised to make the minor changes in the resolution immediately above that may be occasioned by action of the Patent and Registration Office.

In order to take part in the General Meeting shareholders must be registered in their own name at the Swedish Securities Register Centre (VPC) not later than 19th January, 1979 and must also notify the company of their intention to participate not later than 12 noon, Thursday 25th January, 1979. Shares registered in the name of nominees should be temporarily re-registered in the names of the shareholders themselves to enable them to participate.

By Order of the Board  
Claes Beyer, Secretary, AB Volvo  
S-40508 Gothenburg, Sweden

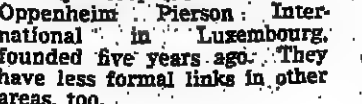
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2. Dammam Road Department (M.O.C.)
3. Sapco Temporary Offices in:
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  - B. DUESSELDORF, W. Germany—Sapreco Ltd, German Office, Cecilienallee 75, 4000 Dusseldorf 30. Tel. 0211 450828; Telex 8584845 SAPD.
  - C. WASHINGTON, U.S.A.—Gibson Dunn and Crutcher, Mr. Gerald L. Parsky, 818 Connecticut Avenue, N.W., Washington D.C. 20006, U.S.A. Tel. 202 362 5520; Telex 89-2501.

The prequalification questionnaire shall be filled and submitted to the above addresses not later than 8/3/1979 (H) (5 Feb. 1979).

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<sup>c</sup> Today's price. <sup>d</sup> Yield based on offer price. <sup>e</sup> Estimated. <sup>f</sup> Today's opening price. <sup>g</sup> Description fee.  
<sup>h</sup> Tax basis. <sup>i</sup> Periodic premium insurance plans. <sup>j</sup> Single premium insurance. <sup>k</sup> Offered price includes all expenses except agent's commission. <sup>l</sup> Offered price includes all expenses if bought through managers.  
<sup>m</sup> Includes agent's commission. <sup>n</sup> Net of capital gains unless otherwise indicated. <sup>o</sup> Agency fees.  
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# Ministers prepare the way for a new social contract

BY SAMUEL BRITTON

MINISTERS ARE giving urgent attention to plans for a revised Mark Two social contract with the TUC.

The aim would be to prevent widespread disruption of the public services—which is seen as more of a threat than the immediate troubles in road haulage—and also to restore Labour's credibility as the party best able to contain a union wage push.

The proposed contract would have three main features. First, commitment to reduce the rate there would be a long-term of inflation in line with Mr. Callaghan's hint of achieving 5 per cent a year within three years.

Second, there would be an attempt to agree with the TUC on a new machinery for public service manual workers.

Third, there would be an early formula to minimise public service strikes this winter.

The Prime Minister is also said to be moving in favour of compulsory "planning agreements" as a concession to the Left in the next Labour manifesto.

The decks are also being cleared for a very short Budget, should one be required for a spring election.

A simple renewal of existing tax powers could be passed by Parliament within four days with Opposition co-operation. But a deteriorating fiscal position may require revenue-raising measures of a controversial kind.

A major difficulty about the Government's pay plans is that the Treasury has so far been stressing job-for-job comparability on the lines of the Civil Service Pay Research Unit. Public service unions, which fear that such machinery would strip their low-paid manual workers, stress an alternative approach.

Their starting point is to achieve for the bulk of public service manual workers a basic rate target of two-thirds of national average earnings, irrespective of work and skill specifications.

The Chancellor has so far put the stress on preserving the

label of 5 per cent pay settlements, supplemented by relatively inquiries and deferred increases.

Other Ministers believe it would be more realistic to offer the public service unions early settlements based on the going rates for the private sector, which could be up to 9 per cent.

This alternative has not so far been put to the TUC. But there are indications that some union leaders at least would find it more attractive as a way of getting "cash on the table." It is also favoured by some officials and economists as giving less hostages to fortune.

A technical difficulty is that Expenditure Estimates have already been prepared on the basis of cash limits related to the 5 per cent norm. But on almost any conceivable wage formula, early supplementary estimates now seem unavoidable.

Christian Tyler adds: Some discussion of the public service pay problem is likely at today's meeting of the TUC economic committee with the four

economics Ministers.

Union leaders said yesterday that if the Government was to offer the private sector going rate now as a prelude to an inquiry or set of inquiries into the public sector-private sector pay relationship, that would stand a good chance of averting a collision.

But any attempt to hold these 1.5m workers to 5 per cent, even with promises for the future, was probably doomed to failure.

The Government's readiness to explore the pay inquiry route has already been made public, and the TUC economic committee yesterday advised public service union negotiators to press their employers to agree terms of reference.

Later this month the unions will meet in the new TUC public services committee to discuss which groups of workers will accept a common inquiry.

Some have already asked for separate investigations. It was also made clear yesterday that few union leaders are ready to talk about permanent relativities machinery.

## U.S. plan to visit Saudi air bases

By David Suchan in Washington and James Sutton in London

THE U.S. is to fly a 12-strong squadron of its sophisticated F15 strike aircraft to Riyadh, and other Saudi air force bases later this month. The move is a clear affirmation by the U.S. that its support for the security of Saudi Arabia remains unshaken by events in neighbouring Iran.

Announcing the visit by the squadron, the State Department yesterday called it "a demonstration of the continuing and close relationship between Saudi Arabia and the U.S. and of our interest in the security of the kingdom."

The continuing turmoil in Iran, and the reluctant conclusion by the Carter administration that its ally, the Shah, can best contribute to stability by leaving at least temporarily, have raised anxieties among other American allies about the strength of the U.S. commitment to the region's security.

Saudi Arabia feels especially vulnerable. It is the world's largest oil producer but is also a vast and very thinly populated country with a relatively low defence capability. It has been increasingly disturbed by the Soviet build-up in the Horn of Africa, the pro-Soviet coup in Afghanistan, the troubles in Iran and — above all — what it sees as the U.S. Administration's passivity in the face of these dangers.

The U.S. says that the initiative for the tour by the F15s came from Saudi Arabia. Ostensibly it is to give the Saudis a better first hand view of the aircraft, in the wake of the kingdom's purchase of 60 of them last year and in advance of the actual deliveries scheduled to begin in 1982.

State Department officials said that the aircraft would probably leave about January 20 and stay for about a week in Saudi Arabia. They would carry out very basic weapons and would not visit sensitive bases such as Tabuk near the Israeli border or Dhahran in the oil producing region on the Gulf. Some 250-300 Air Force personnel, including flight crews, will be going on the visit.

But U.S. officials yesterday were not discouraging speculation that the F15 demonstration mission has been precisely timed to bolster the confidence of America's friends in the area and to send a further signal to Moscow that the U.S. would not brook Soviet interference in the region surrounding Iran. There is no question of the F15s going anywhere in the region other than Saudi Arabia.

The definition of the F15 mission is a delicate one in view of Saudi Arabia's stated opposition to the presence in the Arabian peninsula of members of foreign armed forces who are not attached to local forces.

The U.S. ceased to have official air force facilities at Dhahran early in the 1960s and more recently gave up its naval facilities at Bahrain in the Gulf. The UK gave up its air force base on Masirah off the coast of Oman in March, 1977.

White revolution devours itself, Page 3

## Iran cuts rial value by 8%

By Andrew Whitley in Tehran

QUETLY and without announcement, Iran has effectively devalued her currency, the rial, against the U.S. dollar by over 8 per cent. At the same time a two-tier rate of exchange has been introduced by the Central Bank of Iran for commercial and non-commercial purposes.

From Tuesday the new approved rates have been 77 rials to the dollar for banknotes and 76 for travellers' cheques, compared with the old rate of 70.6 rials.

On Tehran's flourishing free money market the dollar costs between 85 and 90 rials. The rial has been effectively fixed to the dollar for many years, and has fluctuated with the American currency in its past years' difficulties.

Strong pressures in Iran to change the rate have been resisted by the Central Bank of Iran in the past on the grounds that this would run counter to the tough anti-inflation programme of former Prime Minister Jamshid Amouzegar.

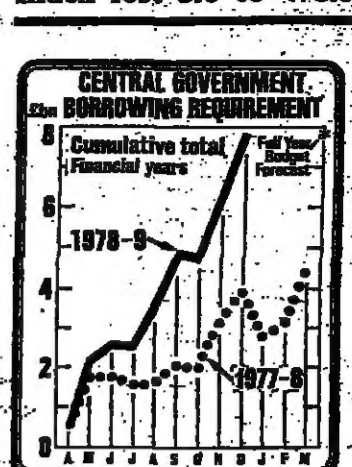
The Bank is thought finally to have bowed to the inevitable because of large-scale selling of Iranian currency in the free market.

A two-tier system, first proposed in December as the best solution, by a leading Iranian banker has the advantage of maintaining the value of oil exports.

## THE LEX COLUMN

# A lorryload of trouble

Index lost 3.6 to 478.6



expectations of inflation, and therefore of real interest rates, were to change. The Government has not got too much to decide whether to resist the wages upsurge or to finance it.

## Westland

Westland's figures for 1977-78 are very bit as grim as feared. Losses and provisions against Lynx helicopter contracts amount to £13m, and work for British Rail on the Super 4 hovercraft has required a further £2.2m write-down. A year ago, Westland made provisions totalling £8.5m in these two areas — and said that no further problems were expected.

The upshot is a group loss before tax of £2.6m compared with what was a very depressed profit of £5.8m in 1976-77. The dividend is cut by two-thirds to 1p per share.

Why should it be assumed that Westland has got its sums right this time? It has, after all, made "non recurring" provisions in each of the last three years against the big helicopter contract, totalling £19m in all. The problem with the Lynx — which marked Westland's first break with U.S.-based designs — has been that each aircraft has required several hundred more man hours to produce than originally envisaged. And costs have been further thrown out by a piecework-led drift in wages. Since part of the very large original contract with the Ministry of Defence was on a fixed price basis, the combination has been disastrous.

But Westland has now reformed its wages structure, and its latest assumptions are based on production levels that have actually been achieved in the factory. Financial controls seem to have improved, and the

problem-contracts are at last drawing to a close. The hovercraft should be finished this summer, and the Lynx order by early next year.

So, a substantial turnaround into profits is possible this year. In addition, the balance sheet looks much healthier, despite a fall of a tenth in shareholders' funds to £40.8m. A big drop in working capital has cut net borrowing from £36.7m to £9.8m, and this improvement can apparently be maintained.

The scope for short-term recovery has brought a speculative boost to the shares in the last couple of weeks, and at 35p the capitalisation is still only £19m. But last year's mistakes will not be easily forgotten.

## Johnson-Richards

Johnson-Richards' half-year figures, with pre-tax profits up 34 per cent at £3.40m, may be slightly on the low side of the market's range of expectations but they make the modest November bid now worth around 135p a share — a look distinctly insufficient. J.R. has improved its margins by moving into the higher end of the tiles market and cutting its losses in the U.S., while the rapid growth of the British market for home improvement products is continuing.

So far, J.R. has simply said that it sees no merit in the approach from Norcross and has asked its shareholders to sit tight. Its dividend is covered over four times by prospective fully-taxed earnings and could easily be trebled if a spirited defence were required. The 50 per cent lifting of the interim dividend perhaps anticipates this. If a formal bid, new materials some of the increase will have to come off the final dividend, although J.R. may have some scope under the cover rules.

## Company profits

The latest batch of third-quarter GDP statistics confirms that industrial and commercial company profits remained quite buoyant during July-September last year. North Sea profits, it turned out, fell back from second quarter levels under the influence of a weak dollar. That left the non-North Sea profits of industrial and commercial companies, net of stock price action, showing a rise of a fifth on a year earlier. But it must be borne in mind that these company sector estimates are often subject to substantial revisions.

## Shell plans 2p to 3p rise in oil prices

By Kevin Done, Energy Correspondent

SHELL intends to raise the price of all its oil products in the UK by an average of 2p to 3p a gallon next month. A gallon of four-star petrol could be 3p dearer at 52p to 55p in urban areas.

Shell notified the Price Commission yesterday of the proposed increases and the other major oil retailers—Esso and British Petroleum—are expected to follow suit in the next few days.

If the increases are allowed, fuel oils are likely to rise by 11p to 3p a gallon and domestic heating oil by 21p to 3p a gallon. The 3p rise in the price of petrol will include VAT. Shell's application is based mainly on the poor profitability of its UK oil marketing operation, rather than on the increases in crude oil prices agreed by the Organisation of Petroleum Exporting Countries in December.

In 1978, Shell UK, the umbrella company for all Shell's British operations, made a loss of £32m, and this was followed by a loss of £11m in 1977. The marketing losses of many oil companies in recent years stemmed from the forecast price-cutting war, which ended only in November last year.

During the tanker drivers' dispute prices rose briefly to far higher levels as many garages ran short of supplies.

## Weather

COLD with showers and bright intervals. Frost early and later. London, Southern England, East England, E. Anglia. Scattered showers, sunny intervals. Wind northerly. Max. 3C (37F).

S.W. England, Channel Isles, S. Wales. Showers, sunny intervals. Wind north-west, fresh. Max. 4C (39F).

N.E. England, Borders, E. Scotland. Showers, sometimes prolonged. Wind north-east. Max. 1C (34F).

Northern England, Isle of Man, S.W. Scotland, Ulster, Highlands. Showers, bright intervals. Wind north-west. Max. 2C. Outlook: Showers in East, snow or rain in West.

## BUSINESS CENTRES

City	Y day	Y day	City	Y day	Y day
Amsterdam	21	24	Madrid	21	24
Bahrain	21	24	Moscow	21	24
Bombay	21	24	New York	21	24
Buenos Aires	21	24	Paris	21	24
Calcutta	21	24	Rome	21	24
Cardiff	21	24	Singapore	21	24
Chicago	21	24	Tokyo	21	24
Cologne	21	24	Zurich	21	24
Connaught	21	24			
Dublin	21	24			
Edinburgh	21	24			
Frankfurt	21	24			
Geneva	21	24			
Glasgow	21	24			
Helsinki	21	24			
Hong Kong	21	24			
Jo'burg	21	24			
London	21	24			
Lyon	21	24			
Manila	21	24			
Mexico	21	24			
Mumbai	21	24			
Nairobi	21	24			
Rangoon	21	24			
Reykjavik	21	24			
Rio de Janeiro	21	24			
Sao Paulo	21	24			
Seoul	21	24			
Shanghai	21	24			
Singapore	21	24			
Sydney	21	24			
Taipei	21	24			
Tokyo	21	24			
Toronto	21	24			
Warsaw	21	24			
Zurich	21	24			

## HOLIDAY RESORTS

City	Y day	Y day	City	Y day	Y day
Algeria	12	54	London	11	52
Algiers	12	54	Madrid	11	52
Bahia	12	54	Moscow	11	52
Batavia	12	54	New York	11	52
Bombay	12	54	Paris	11	52
Buenos Aires	12	54	Rome	11	52
Calcutta	12	54	Singapore	11	52
Cardiff	12	54	Tokyo	11	52
Chicago	12	54	Zurich	11	52
Cologne	12	54			
Connaught	12	54			
Dublin	12	54			
Edinburgh	12	54			
Frankfurt	12	54			
Geneva	12	54			
Glasgow	12	54			
Helsinki	12	54			
Hong Kong	12	54			
Jo'burg	12	54			
London	12	54			
Lyon	12	54			
Manila	12	54			
Mexico	12	54			
Mumbai	12	54			
Nairobi	12	54			
Rangoon	12	54			
Reykjavik	12	54			
Rio de Janeiro	12	54			
Sao Paulo	12	54			
Seoul	12	54			
Shanghai	12	54			
Singapore	12	54			
Sydney	12	54			
Taipei	12	54			
Tokyo	12	54			
Toronto	12	54			
Warsaw	12	54			
Zurich	12	54			

## Year of near-record growth in average living standards

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

LARGE PAY claims now being submitted follow a year of almost record growth in average living standards.

Official figures yesterday showed that by early last autumn living standards, measured by real personal disposable income, were about 8 per cent higher than in the third quarter of 1977.

Most of the increase was because pre-tax incomes rose much faster than consumer prices, though possibly a quarter of the increase is explained by a lower level of personal taxes.

Living standards improved by only about 1 per cent from the second to the third quarter of last year, but this slowing largely reflected changes in the timing and pattern of pay settlements.

Disposable incomes were probably boosted toward the end of last year by implementation of further tax cuts and increases in social security benefits in November.

Consumer spending remained rather more buoyant than disposable income in the early autumn, so that the percentage of income saved dropped from the earlier high level, from 15.8 to 14.3 per cent.

GROSS DOMESTIC PRODUCT (£m, seasonally adjusted)		Gross Trading	
	Personal disposable income (1975 prices)	Profits industrial and commercial companies	
1976	74,184	9,462	
1977	73,109	12,992	
2nd	17,957	3,227	
3rd	18,072	3,300	
1st	18,183	3,284	
4th	18,897	3,491	
1978	18,663	3,706	
2nd	19,447	3,605	
3rd	19,557	3,686	

\* Net of stock depreciation.

Source: Central Statistical Office

But the average savings ratio in the first nine months of 1978 as a whole remained round the historically high levels of the previous four years.

Most economists expect living standards to be flat, or increasing very slowly at best, in the second half of this year as the rate of price inflation catches up with expansion of earnings.

These figures appeared with revised estimates for Gross Domestic Product produced by the Central Statistical Office. This confirms that the economy was growing at an underlying

rate of about 4 per cent a year for most of the 12 months to the end of the third quarter.

The latest figures also show that gross trading profits of industrial and commercial companies recovered sharply in the early autumn after adjusting for the increase in value of stock of goods and raw materials due to inflation.

Profits net of stock appreciation were £3,988m in the July-September quarter, a rise of 10.5 per cent on the previous three months.

On a longer-term comparison between the last two half-years, profits net of stock appreciation were 51 per cent up.

Increase in profits occurred despite a decline in the North Sea contribution in the third quarter because of the fall in the sterling price of crude oil produced by the drop in the dollar.

After excluding the North Sea sector, industrial and commercial profits net of stock appreciation were about 15 per cent higher in the six months to September than in the same period of 1977.

Borrowing by public sector may exceed forecast, Page 6

## UK yard loses £4m Texaco order because of delays

BY RAY PERMAN, SCOTTISH CORRESPONDENT

TEXACO HAS withdrawn a £4m order from a British Shipbuilders' subsidiary company because it was so far behind schedule that there was a danger that production from the Tartan Field might be delayed for a year.

Texaco's move is a serious blow to Burntisland Engineers and Fabricators, which was set up in 1973 to build and fit out offshore modules.

Most of the 600 workers will be made redundant when the Tartan contract is complete and the yard's future could be in doubt.

Burntisland Engineers is three-quarters owned by the

nationalised shipbuilding corporation and one-quarter by a French consortium. Texaco said yesterday it was exercising its rights under the contract. No details about any financial penalties were available.

The order—two drilling and two process modules—will be completed in the Burntisland yard, Fife, but under the direction of Texaco managers.

The workers will cease to be employed by Burntisland Engineers from tomorrow, but they will be immediately re-engaged by local contractors operating for Texaco.

The Tartan contract was won

in November 1977 against competition from yards in the U.K. and Europe, and work was to have been completed by May this year.

However, it has fallen further and further behind. There was a danger that, as the modules might not be ready during the calm weather this summer, Texaco would have to wait until 1980 to float them out to the North Sea field.

Sir John Brown, chairman of Burntisland Engineers, said it was too soon to start looking for new work. The company had missed gaining an order from the round of contracts placed in October.

Continued from Page 1

## ICI

go on paying our staff I don't know.

Even if the group is forced to stop all production at the end of next week, it is likely that many workers will be kept on for several weeks at least.

It takes some time to shut chemical plants, for technical and safety reasons.

The strike has already cut ICI's home and export sales by 50 per cent. Mr. Harvey-Jones stressed that the group was concerned about losing some export markets permanently as a result of the dispute.

The products worst hit are heavy chemicals and plastics, which rely to a large degree on road transport.

A total of 85 per cent of